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COMMERCE AMERICA

U.S. Department of Commerce / June 5, 1978

Taiwan-U.S. Trade Gap- an opening for exporters

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Task Force On Export Policy—Progress Report By Secretary Kreps

In appearances before World Trade Week audiences last month Commerce Department officials described the work of the Cabinet-level Task Force on Export Policy that is due to make recommendations to President Carter later this month. This was the way Secretary of Commerce Juanita M. Kreps summarized the progress of the Task Force, in an address in Miami:

Other nations understand the need to export and to avoid policies that impede exports. So, too, must we.

We must recognize that export growth is not just a short-term concern for the United States. Rising oil prices, the continuing increase in global interdependence, the emergence of LDC's as manufacturing competitors—all these factors point to an increase in global competition for resources and markets and to a greater need for this country to export.

President Carter, in his anti-inflation speech in April, noted the need to create a better climate for exports. At the President's request, I am now chairing a Cabinet-level Task Force whose purpose is to do precisely that.

The policy which the Task Force will develop in consultation with the private sector must consist of more than a series of discrete actions. It must be an affirmation of national intent. It must signal our firm commitment to be an effective competitor in the international marketplace.

Three major themes have emerged from the work of the Task Force thus far.

► The first is the need for the U.S. Government to provide additional incentives to exporters, particularly small and medium-sized firms just moving into the export market. The Task Force is looking at possible measures to encourage sales efforts abroad, through means such as tax credits, to offset in part start-up marketing expenses. Competitive financing also is crucial to the ability of U.S. exporters to sell their goods and services abroad. All major countries have highly developed, officially supported export credit systems. We will try to ensure that U.S. export financing is adequate to help us toward our export goals.

► The second theme is one of diminishing the negative effect on exports of government rules and regulations. We all know that national objectives sometimes conflict. And although promoting exports will not necessarily have the highest national priority, we shall assess carefully the potential adverse impact on exports of important governmental programs. We shall further ensure that any conflicts between our export objectives and other national goals are resolved in such a way as to minimize any adverse impact on the nation's exports.

► The third deals with the marketing assistance that can be given to the exporter. Many smaller firms have never sold abroad because they haven't known whom to sell to. We are developing measures to increase the flow of information about market conditions abroad and, through an automated system, to supply information about foreign buyers seeking U.S. goods. The government has an extensive network in our Embassies abroad and our field offices at home. We in Washington would provide the link to bring this information directly to our nation's companies.

Government efforts can make a significant difference. But what surely will be the most important ingredient in determining the success of our efforts to expand American exporting is a commitment by business to exporting. Such a commitment can be based on the belief that government support will be consistent and enduring. Government can clear away obstacles and make the road to foreign markets smoother. But government cannot travel that road, and government cannot close business deals. That is the job of the private sector.

COMMERCE AMERICA

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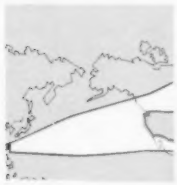

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Taiwan-U.S. Trade Gap
An Opening For Exporters

In a continuing effort to reduce its multi-billion dollar trade surplus with the United States, the Republic of China is sending a procurement mission here this month to complete negotiations for the purchase of about $400 million worth of U.S. industrial and agricultural products.

The mission will also discuss future purchases that will exceed a billion dollars, a figure that does not include expected large agricultural purchases.

The group is due to arrive in Los Angeles June 9. An earlier mission bought almost $300 million in U.S. goods on a January-February swing through American cities. A third group is due to come in the fall.

The itinerary is: Los Angeles, June 9-13; Spokane, June 13-14; Denver, June 14-16; St. Paul, June 16-18; Chicago, June 18-21; Columbus, O., June 21-22; Indianapolis, June 22-26; St. Louis, June 26-28; Houston, June 28-July 2; Memphis, July 2-4; Atlanta, July 4-6; Boston, July 6-8; New York, July 8-13; Harrisburg, July 13-15; Washington, July 15-20, and San Francisco, July 20 to a closing date yet to be determined.

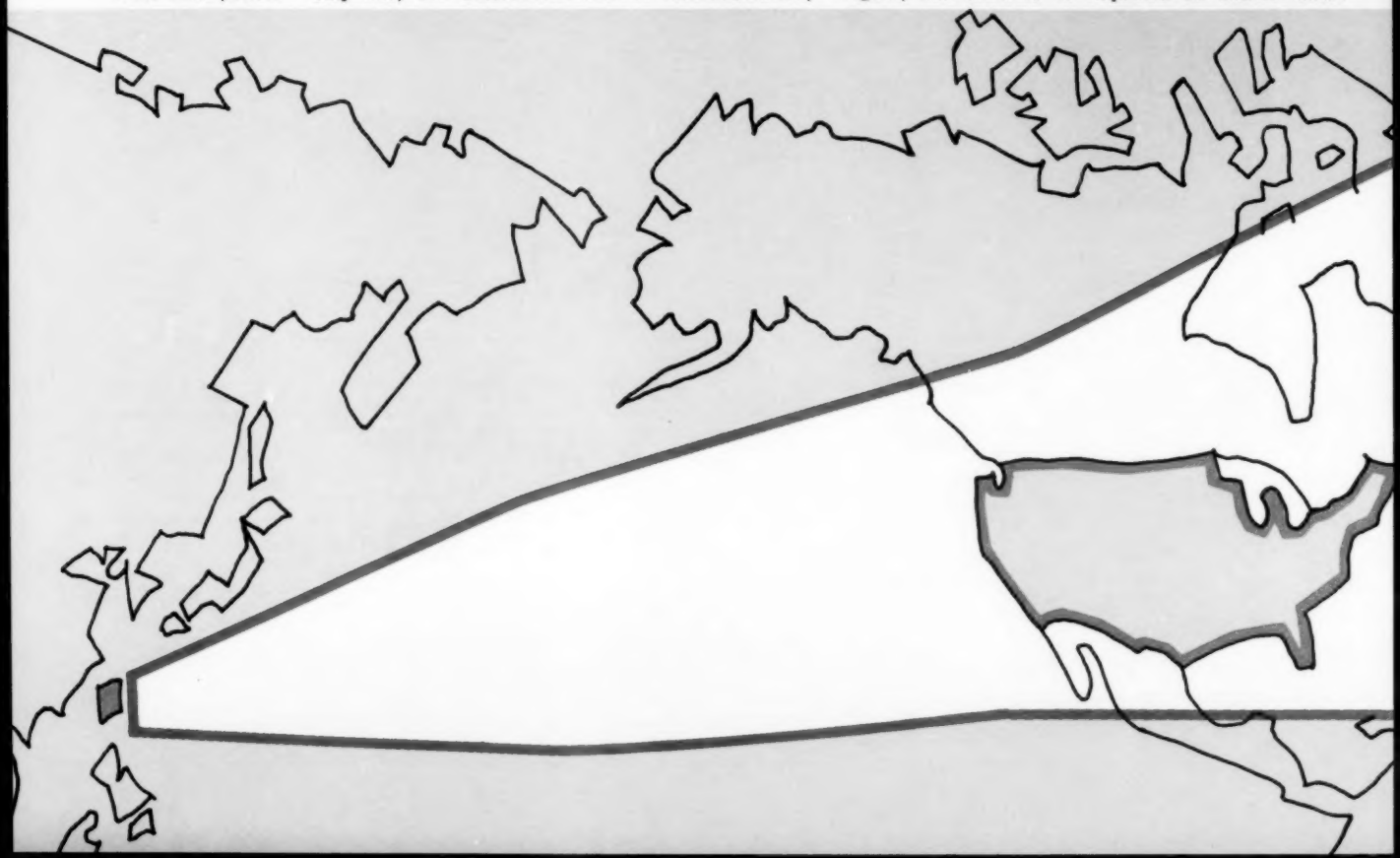
The procurement mission will be led by H. K. Shao, director of the Republic of China's Board of Foreign Trade. It will include representatives of the Central Trust of China, China Petroleum Corp., Taipower, the Telecommunications Administration, the Board of Foreign Trade, and officials concerned with agricultural products.

The hosts will be the various Republic of China consulates across the U.S. In Los Angeles, Chicago and New York there will be an additional host, the U.S.-ROC Economic Council, a private association of U.S. business executives chaired by David Kennedy, former U.S. Treasury Secretary. The council has a membership representing nearly 200 firms, with about 300 other firms closely associated with its efforts to promote economic and commercial links between the two countries.

The council has arranged three seminars related to the mission's buying objectives: at the World Trade Center, Los Angeles, at 10:30 a.m. June 12, followed by luncheon and private meetings with mission members; at the Continental Plaza Hotel, Chicago, June 19, including a noon luncheon followed by seminar sessions and private meetings, and at the New York Sheraton Hotel, New York City, July 10, with the same schedule as that in Chicago.

Those desiring to attend one of the seminars are asked to advise the nearest U.S. Department of Commerce District Office. Other contacts with the mission are to be made through Republic of China consulates. Also, Robert Kelly of Commerce Department's Industry and Trade Administration, Washington, has answers to inquiries on 202-377-5401.

TAIWAN—U.S. TRADE GAP—Taiwan's exports to U.S. (top line) grew from $1.9 billion in 1975 to a projected $5 billion in 1978, while its imports from the U.S. rose from $1.7 billion to just under $2 billion in the same period.



'Excellent' Sales Assessment Based On Several Factors

A recent assessment by the American Embassy in Taipei on prospects for sales of American goods to Taiwan is "excellent." The verdict takes into account not only the "Buy More in America" policy described on page 2, but the rise in value of the Japanese yen and expected good growth ahead for the economy of Taiwan.

After an 8.1 percent increase in real terms in 1977, actual growth in 1978 should reach the 8.8 percent target set by the government in Taipei, according to the U.S. Foreign Service officers observing the economy in that capital.

This growth target, though modest in comparison with Taiwan's achievements in the mid-1960's and early 1970's, is realistic for an economy whose industrial structure is in a period of transition. Nevertheless, the Embassy is of the opinion that the government's targets may well be too low. Growth in leading industries, particularly electronics, should more than offset an anticipated sluggish performance by the textile industry and boost industrial production and GNP above the targeted increases to perhaps 15 percent and 10 percent, respectively.

Rising import prices, higher domestic wages, and possible increases in public utility and transportation rates, combined with a continuing trade surplus and inflow of long-term capital, will probably result in a rate of inflation of around 7 percent. Unemployment will not be a major problem in the ROC, but the Embassy estimates that the rate will be around 4 percent.

Foreign trade will continue to be the driving force behind the economy of Taiwan. The impact of trade restrictions, competition from more developed countries as Taiwan moves into more sophisticated product lines, and the long gestation period of the capital-intensive, high technology industries being promoted by the government all suggest that the average real growth rate over the next few years is not likely to reach the 10.4 percent yearly average attained in the decade ending in 1973, just prior to the 1974-1975 recession years.

Completion of the China Petroleum Company's third naphtha cracking facility in February helps insure self-sufficiency in the supply of petrochemical feedstocks. The Industrial Technical Research Institute, in cooperation with a United States company, has begun to produce integrated circuits in a plant in Hsin Chu. The first phase of the China Steel Company's integrated steel mill was completed in December 1977. All three of these projects will stimulate the development of downstream industries and raise the level of technology in the ROC, as well as reduce dependence on imports.

AT TAIPEI U.S. TRADE CENTER—U.S. Ambassador Leonard Unger (right) shows Dr. Wang Chin-mou, who heads the ROC's National Health Administration, equipment displayed at a recent exhibiton.

The textile industry, the ROC's leading industry, is beset by many problems, and the value of its output is not expected to increase significantly in 1978.

The outlook for electronics, the second leading industry, is much better. Production of color television sets should increase, as United States restrictions on imports of color TVs from Japan give added stimulus to expansion plans already set in motion by foreign-invested firms in Taiwan. Local firms also plan to increase color TV exports. Production of other electronic products, such as black and white TVs, radios, recorders, digital watches, and calculators should also increase substantially in 1978.

The outlook for the machinery, plastics, wood products, glassware, and cement industries is also good. The construction industry, bolstered by government investment in housing, will probably exceed the government's target of 10.6 percent growth in 1978.

The ROC's record trade surplus in 1977 was not particularly welcomed, as imports failed to meet expectations. Imports of capital goods declined 0.5 percent from the level reached in 1976, and machine tool imports were down 18.2 percent. The ROC's targets for merchandise exports and imports for 1978 are $10.7 billion and $10.1 billion, respectively. These targets are probably too low. Exports should show healthy increases this year despite restrictions in foreign markets.

The increase in the value of the Japanese yen, relative to the U.S. dollar, will make Taiwan's exports more competitive both in Japan and in Japa-

nese-dominated export markets in Southeast Asia, the United States and elsewhere, since the New Taiwan dollar is pegged to the U.S. dollar. Of course, this also will make U.S. products more attractive in Taiwan vis-a-vis Japanese products.

Oil was the leading import to the ROC in 1977, totaling $1.2 billion dollars, and will in all likelihood occupy first place again in 1978, whether or not OPEC prices are raised, due to the increasing development of Taiwan's power and petrochemical industries.

Foreign investment approvals totaled $164 million in 1977, exactly the average for approvals over the prior six years. Taiwan's stable government, liberal investment laws, relatively low wages (average monthly wage in the manufacturing sector in 1977: $143), and absence of labor strife should continue to attract investment from abroad in 1978.

Government investment will continue to play an important role in the economy of Taiwan. Now that spending for ten major infrastructure and production projects has been substantially completed, the government has announced twelve new projects, with capital requirements totalling $5.5 billion, to be completed over the next few years.

These projects, many of which are further developments of the earlier major projects, are: 1) completion of the round-the-island railroad network (estimated capital requirement: $78.9 million), 2) construction of three new east-west highways ($152.6 million), 3) extension of the north-south freeway from Kaohsiung to Pingtung ($78.9 million), 4) second-phase construction of the China Steel Corporation's mill ($1.3 billion), 5) construction of the second and third nuclear plants ($2.9 billion), 6) second and third phase construction of Taichung Harbor ($163.7 million).

Twelve major projects with capital requirements totaling $5.5 billion are to be completed in the next few years.

Also, 7) development of new cities and construction of 25,000 housing units annually ($334.2 million), 8) improving farm irrigation and drainage systems ($50 million), 9) repair and construction of breakwaters ($42.1 million), 10) widening of the Pingtung-Oluanpi highway ($65.8 million), 11) establishment of a fund to expedite farm mechanization ($210.5 million), and 12) building a cultural center in each county ($39.5 million).

The government has announced that it expects to borrow $1.5 billion from abroad over the next few years for these projects. Because of Taiwan's mounting foreign currency reserves (likely to top $5 billion in 1978), projected trade surpluses, and high rate of domestic savings (over 25 percent) some observers question the need for extensive foreign borrowings.

Taiwan's debt-service ratio (about 6.0) is relatively low, however, and its international credit rating is excellent. Foreign loans foster close relations between the ROC and its creditor countries and institutions. At the ROC's current stage of economic development, however, access to foreign markets and foreign technology is considerably more important to continued growth than is the international capital market.

The government has maintained a fixed currency exchange rate at NT38=U.S.$1 since early 1973. The rise in value of the Japanese yen, while favorable to the increase of ROC exports to Japan and elsewhere, is a subject of concern. Most of Taiwan's foreign currency reserves (now $4.1 billion) are in U.S. dollars, and the country purchases much industrial equipment from Japan. An upward revaluation of the New Taiwan dollar cannot be ruled out, if the U.S. dollar were to decline substantially vis-a-vis the yen during 1978.

Despite some recent governmental changes, planning in the Republic of China remains largely limited. The government, through direct spending or through state-run enterprises, can act to improve the structure and infrastructure of the economy and to plug shortfalls in investment. But the major determinants of the growth of the economy—foreign markets, foreign investors, and private businessmen in Taiwan—remain largely outside the control of government planners.

The U.S. share of the import market was 23 percent in 1976 and 1977. A large increase in U.S. imports is expected in 1978. A good reason for this optimistic outlook is the government's intention to reduce its large trade surplus with the United States as well as its trade deficit with Japan by switching imports from Japan to the United States. An unofficial estimate is for an increase of as much as $500 million in imports from the United States during 1978, which would represent a 25 percent rate of growth in the sale of American goods in Taiwan, and compares favorably with the 10 percent rise of 1977.

Last November the government announced its "Buy More in America" program to bring about a massive increase in imports from the United States. The principal initial measures of the program were large scale purchases of agricultural products, lifting the ban on the importation of passenger cars to bring in 4,000 U.S. sedans, and the sending of procurement missions to the U.S., as described on page 2. A more lasting and favorable aspect of the program for American exporting firms is that government agencies and the state-owned enterprises have been directed to step up their purchases from the United States, as explained in the following article.

U.S. Trade Center

In its first 42 months of operation the U.S. Trade Center in Taipei has put the products of more than 850 U.S. manufacturers before Republic of China buyers. A total of more than 80,000 business visitors has been logged at 180 trade events, sales—immediate or projected—have exceeded $300 million, and some 120 new-to-market firms have set up representation arrangements with Taiwan agents or dealers.

The Center not only stages themed trade exhibitions, but makes its facilities available for individual company promotions, including new product presentations, conferences, training sessions, technical seminars, or even office space and help. Details on such programs and the following Trade Center schedule are obtainable from: East Asia Marketing Unit, Industry and Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230. The schedule of exhibitions: Printing and Graphic Arts, November 1978; Industrial Process Controls, February 1979; Pollution Controls, May 1979; Communications Equipment, June 1979; Energy Systems, July 1979, and Plant Operations Equipment, September 1979.

Government Procurement Oriented Toward U.S. Bidders

Taiwan's government tender procedures should be of even greater interest to American exporters now that the government has adopted its "Buy More in America" program with the aim of narrowing the widening gap in the commodity trade account.

In the past, government procurement was already oriented toward the United States. For example, in 1976 the United States supplied over one-third of ROC government purchases, compared with Japan which supplied less than one-quarter, and Britain and Germany, which together supplied one-fifth. But in 1977 the $1.9 billion trade surplus Taiwan had with the United States, and the $1.5 billion trade deficit with Japan, motivated a further expansion of efforts to direct more purchases to American exporters.

The export opportunities presented to American manufacturers and suppliers by ROC government tenders are considerable; in 1977 over $350 million worth of overseas goods and services was purchased to meet the needs for sophisticated high technology equipment of clients such as the China Petroleum Corporation, China Steel Corporation, and the Taiwan Machinery Manufacturing Corporation.

By far the most important government procurement agency for American exporters of industrial equipment is the Central Trust of China (CTC). Other government procurement bodies, such as the Taiwan Supply Bureau, and the military services organization, play a relatively small role in commercial purchases of industrial equipment from abroad.

A Ministry of Finance financial service unit established in Shanghai in 1935, the CTC charges a fee for handling domestic and foreign procurement operations on behalf of its clients, which include government ministries, all government owned and operated commercial enterprises, and government supported industrial, scientific and medical institutes, whether civilian or military. Although these organizations may purchase routine consumable items without any bids, all capital goods purchased through foreign exchange budgetary allocations must be purchased through CTC tenders.

The CTC supervises the tendering process, but is prohibited from injecting itself into the actual purchasing decision. Before the client, ordinarily a governmental entity, submits the tender specifications to the CTC, it must have already obtained the necessary foreign exchange authorization and import permit, along with a determination that comparable products are either not capable of being manufactured in Taiwan or are manufactured for a substantially higher price than imported goods.

RAIL WELDER FROM U.S.—This 40-ton continuous rail welding machine was built for the Taiwan Railway Administration by Chemetron Corporation, Chicago.

The client also prepares all of the specifications, sets the technical standards, and makes the final decision to accept or reject a given bid. The CTC usually uses open-tender methods to solicit foreign bids, even though CTC rules provide that at least three firms must make bid offers before a contract offered under open tender procedures can be awarded. In some cases, CTC may request the Ministry of Audit's special permission to hold a "restricted tender" in which bids are limited to prequalified firms. Moreover, special authorization for negotiated purchases is occasionally granted in cases where there is a sole supplier or where the need is urgent.

Announcements of scheduled procurements are made in the local press, by CTC's branch offices overseas, and published in a local English-language newspaper devoted solely to reporting on tenders. Embassy Commercial Section reports of major tenders for industrial equipment in lines where the U.S. is highly competitive are disseminated to U.S. businessmen through the U.S. Department of Commerce's Trade Opportunities Program (TOP). The invitation to bid is sold by the CTC Procurement Department in Taipei for a price ranging from as little as 38 cents to several hundred dollars for complex projects.

Central Trust of China is by far the most important government procurement agency for U.S. exporters of industrial equipment.

CTC tender procedures make it relatively convenient for American firms to participate in open tendering. With the exception of the restricted bid mentioned earlier, open tenders are open to all firms without a prequalification requirement, and without a requirement for a local agent. The invitation to bid and the specifications are written in English, as should be the tendering firm's price quotation and supplementary bid information. Price quotations by American-based suppliers should be in United States dollars.

In many open tenders, the geographic area of supply is limited to North America and free European countries, and in some cases is limited solely

NUCLEAR PLANT VALVES—Butterfly valves were built for the Taiwan Power Company's Kuosheng Nuclear Power Station by Mosser Industries, Inc., a subsidary of Ecolaire, Inc., Allentown, Pa.

to the United States. These area restrictions invariably exclude Japan, a keen competitor of the United States in the Taiwan market, as a source of supply. In addition, many invitations to bid are now requesting an alternative price quotation on an f.o.b. basis, a provision which favors U.S. suppliers by removing their rather high transportation costs from the standard c.i.f. quotation.

The potential value of a contract is an important guide to American exporters in deciding whether to compete for a given tender. Hints on the general range of price quotations may be gleaned from CTC tender procedures. Tender Form A is used by the CTC when the expected purchase price is less than $50,000, and bidders need not submit bid bonds with their offers. Form B is used when the purchase price exceeds $50,000, in which case a bid bond of one percent of the bid value must be submitted along with the bid quotation.

The time between the issuance or announcement of the invitation to bid and the opening date also gives some indication of the potential value of the purchase. If the length of time is between one to two months, it often indicates that the expected tender purchase price will range between $50,000 to $500,000. A time period of two months to 75 days generally indicates that the expected purchase price will range from $500,000 to amounts in excess of $1 million.

The most important single way for American firms to improve their long-run chances of being awarded a tender is to appoint a local agent. An agent will often become aware of a potential sales opportunity even before the bid is put out by the CTC. Furthermore, if the equipment sought is sophisticated, and represents a completely new acquisition by the client, the agent may be able to sell the client on the need for such equipment and to provide an important input for the tender specifications.

On other occasions, a client may make a series of relatively small purchases of equipment which, over time, may add up to a buying program of considerable value. These low-value tenders are often in fields where American firms are highly competitive, such as sophisticated instruments and process control equipment. Urgent purchases are more likely to be negotiated through a local agent than directly with a remote head office.

Finally, if the CTC client believes that there are discrepancies between the tender specifications and the offer submitted, the local agent may be able to conduct negotiations to resolve the situation in the American exporter's favor (NOTE: For help in obtaining an agent in Taiwan, consult a U.S. Department of Commerce District Office).

Though it handles a wide range of product procurement, the CTC specializes in handling tenders for the import of industrial goods and services. In 1976, 40 percent of CTC's procurements consisted of machinery and tools, while steel and metals comprised 9 percent; transportation equipment 7 percent, and telecommunications equipment 5 percent.

The following industrial commodities from the United States are of special interest to the CTC: construction machinery and equipment, industrial machinery and tools, telecommunications equipment, vehicles, chemicals. medical equipment and supplies, oil products, nuclear instruments; and scientific and laboratory instruments.

Requests for invitations to bid on CTC tenders should be directed to: Manager, Procurement Department, Central Trust of China, 49 Wu Chang Street, Section 1, Taipei 100, Taiwan, Republic of China.

CTC also has branches in New York and San Francisco, though these offices have limited staff capabilities. They perform mainly internal functions, such as market research, credit reports, and emergency purchases of needed supplies. U.S. enterprises may direct general inquiries to these offices. The addresses are:

C. C. Chiu, Central Trust of China, 1 World Trade Center, Suite 2273, New York, N.Y. 10048. Cable: "SINOCENT" New York, Telephone: 212-775-1055.

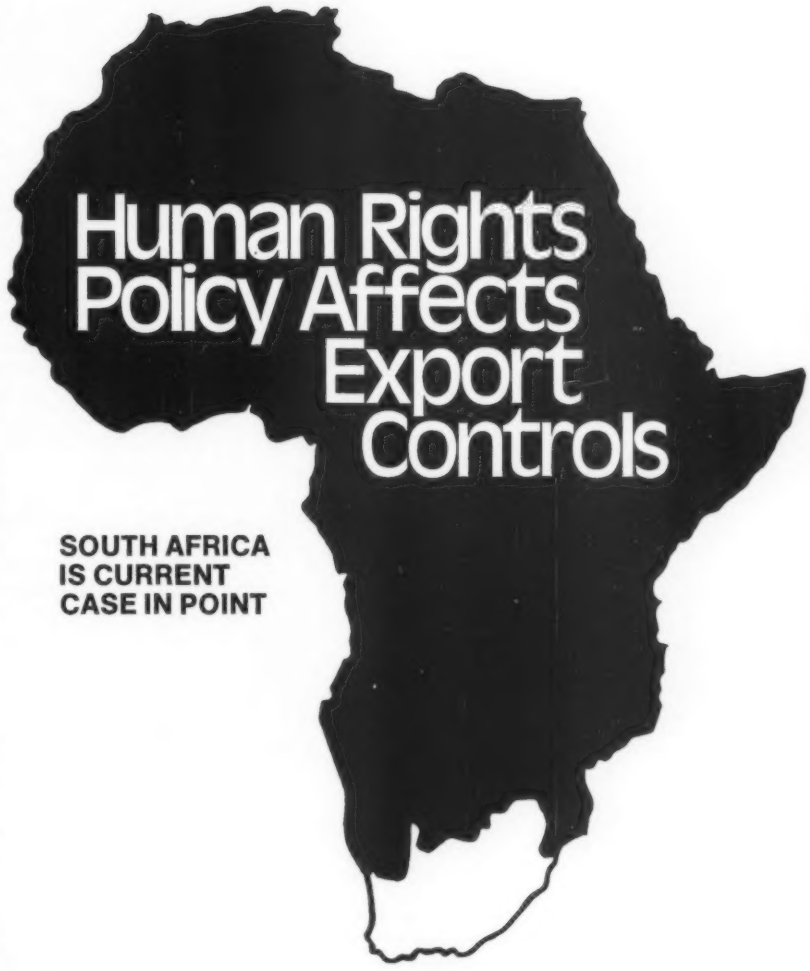
David Shih-lien Wang, 604 Commercial St., San Francisco, Calif. 94111. Cable: "CHINATRUST" San Francisco. Telephone: 415-362-6882.

Another U.S. office with a representative of CTC is the Chinese Government Procurement and Service Mission (Liaison Office), 2224 "R" Street, NW., Washington, D.C. 20008.

Trade Negotiations

The Republic of China is not a member of the GATT—the General Agreement on Tariffs and Trade—and is not a participant at the Multilateral Trade Negotiations now underway in Geneva. However, the U.S. and the Republic of China are now conducting separate bilateral trade discussions aimed at tariff reductions by both countries on most items of mutual trading interest. An agreement is expected to be substantially completed by mid-July.

Human Rights Policy Affects Export Controls



In a recent precedent-setting action, the Department of Commerce has imposed far-reaching controls on the exports of goods or technical data for use by the police or military forces of the South African government.

It is the first time in the history of the Export Administration Act that the U.S. government has chosen to apply controls to all goods that might be used by specific institutions in a foreign nation regardless of the nature of the goods and their possible uses. And, because the action applies not only to direct sales to the police and military, but also to items that might be resold by South African importers, or by other foreign suppliers outside of South Africa, the regulations could raise substantial enforcement problems.

The new controls grow out of the Carter Administration's human rights policy and reflect its continuing effort to demonstrate opposition to the apartheid policies of the South African government.

The impact of the new restrictions cannot yet be determined, "but they raise questions which go well beyond South Africa," said Stanley J. Marcuss, Senior Deputy Assistant Secretary for the Industry and Trade Administration, which administers the program. "At issue is the fundamental question of the ability of the United States to influence effectively the policies of other countries in a world where U.S. economic power no longer dominates."

Departure from precedent

The expanded control is a departure from procedent because it applies broadly to all goods and data destined for the police and military—from ambulances to zippers.

Under the Export Administration Act of 1969, as amended, the U.S. government may determine when export controls must be applied to exports to another country in support of foreign policy objectives. Generally, these restrictions have been applied in two different ways. The United States has imposed a total embargo on trade with five nations: Cuba, Vietnam, Cambodia, North Korea, and Rhodesia. In other cases, controls have been selective, covering specific end-users. For example, in support of human rights objectives, restrictions have been placed on exports to certain governments of military equipment and other products that could be used in campaigns of repression, such as computers, aircraft, and communications equipment.

The recent tightening of controls on South Africa falls between the two: it imposes a total embargo on trade with specific segments of the South African economy, without affecting shipments to other parties in that country.

Background, details of regulations

The embargo, effective Feb. 16, 1978, prohibits exports or reexports of U.S. origin commodities and technical data to military and police entities in the Republic of South Africa and Namibia. The prohibition applies also to exports to other parties in South Africa that would use the commodities or technical data for the military or police, or that would allow the military or police to make use of the commodities or data.

United States special controls on exports to South Africa began in 1963, when the United Nations Security Council called upon member states to cooperate in a voluntary embargo on arms exports. Although the Department of State's Office of Munitions Control is responsible for controlling exports of most military equipment, the Department of Commerce has participated in the arms embargo by denying exports of military equipment under its jurisdiction and machinery for the manufacture of arms, and restricting exports of other selected commodities when destined for military entities in South Africa.

Following an increase in repressive actions by the South African government, the Department moved in mid-1977 to prohibit exports of crime control and detection equipment. Then the UN Security Council passed Resolution No. 418 on Nov. 4, 1977, calling for a mandatory arms embargo. The recent tightening of U.S. controls is designed to complement the stronger UN stand.

The new controls prohibit exports or reexports of U.S. goods and technology under general license when the exporter knows, or has reason to know, that they will be delivered to the South African military or police, or used in a way that will assist the military or police. The general licenses may, however, still be used for shipments that will not benefit the military or police. The exporter must place a statement on the bill of lading and commercial in-

Impact of new regulations is as yet undetermined, but they go well beyond South Africa.

voice, notifying his customer that police and military use is prohibited.

The new restrictions do not apply to goods and data exported previously. Only those goods and data that were exported from the United States, or reexported from another country to South Africa on or after Feb. 16, 1978, are affected. Certain export licenses issued prior to that time, however, did carry special conditions restricting delivery to military or police entities, and these restrictions remain in effect.

Foreign recipients of goods shipped under bulk licenses that permit extensive resale to a number of users, such as the Distribution and Service Supply Licenses, are required to certify that they will not deliver U.S. products to South Africa for military or police use, or use U.S. products in the production abroad of goods for the South African military and police.

To supplement the basic embargo, the regulations also prohibit use of U.S.-origin parts, components, and materials in the manufacture abroad of commodities destined for the South African military or police. Additionally, U.S.-origin technical data may not be exported to South Africa if the direct product or any subsequent product of the data will be used by, or for, the military or police.

New regulations apply to goods and technical data exported to South Africa after Feb. 16.

For example, data may not be exported to South Africa to build a machine for the manufacture of integrated circuits if the exporter knows or has reason to know that integrated circuits produced by the machine will be incorporated into radios for the South African police or military. A person exporting or reexporting data to South Africa under a general license is required to notify his customer that the direct product of the data may not be made available to the South African military or police.

The Department did not believe that an attempt to limit consignees in South Africa beyond the first product of the data would be effective, because of the difficulty of enforcing any further restriction effectively.

The embargo extends to servicing of equipment already in the possession of South African military and police entities. Those firms having a servicing contract or other legal commitment requiring them to maintain equipment were permitted to continue servicing until April 16, 1978, to enable their customers to find alternate sources of repair. Although neither U.S.-origin parts nor foreign parts containing U.S. materials may be shipped for use in servicing police or military equipment in South Africa, there is no restriction on servicing with purely foreign-origin parts.

Further, there is no prohibition on the application of U.S.-origin technical data to the repair of military or police equipment in South Africa, if the data were exported to South Africa prior to Feb. 16, 1978, or during the two-month servicing grace period. Data exported or reexported to South Africa after that time, however, even though commingled with foreign-origin technology, may not be used to repair South African police or military equipment unless it is freely available data that qualifies for export under General License GTDA.

The Export Administration Act of 1969, as amended, provides for criminal penalties of not more than $25,000 or one year in prison, or both, for violation of the Export Administration Regulations. Administratively, the Department of Commerce may impose a civil penalty of up to $10,000, and may deny export privileges to any party in the United States or abroad.

Enforcement difficulties, possible effects

Because the prohibitions in the new export control measure are so broad, their impact on trade is uncertain, and enforcement difficulties may well arise.

An example of the problems that may be faced by U.S. concerns is provided by the case of a U.S. company that supplies technology to a South African company to manufacture a product in South Africa. The U.S. company receives royalties from the producer and knows that the products are sold to distributors, who, in turn, sell to a variety of purchasers, including the police and military. The new controls would prevent the U.S. firm from supplying new data, causing the South African manufacturer to seek data from other countries. The result would be loss of royalties for the U.S. firm, but probably no change in availability of the product to the South African police and military.

Further difficulties may arise from:

- Problems in determining the disposition of goods received by South African firms, some of which claim they are prohibited by law from disclosing their sales to their government.
- The power of the South African government to confiscate goods under the National Supplies Procurement Act notwithstanding any restrictions which the U.S. may wish to impose on their availability to the police or military.
- The inability to trace effectively the ultimate users of goods sold in the open market.
- The availability of many if not most items from sources other than the United States.

In addition, for U.S. multinational companies, the option may exist to sell to South Africa through their foreign subsidiaries, a practice that is legal if no U.S. parts are used in manufacture of the goods.

U.S. exports to South Africa during 1977 were slightly over $1 billion, down significantly from the $1.3 billion recorded in 1975 and 1976. The decline in U.S. exports paralleled the experience of European exporters, and the United States retained its share of the import market.

The decline in South African imports during 1977 was attributed to a combination of factors: increased controls over imports of finished consumer goods; a 6 percent decline in manufacturing that led to a reduced demand for imported componentry; and a decline in capital expenditures in mining (down 8 percent), manufacturing (down 13 percent), and transportation (down 30 percent).

The new regulations were published Feb. 16, 1978, in Export Administration Bulletin No. 175. Exporters with questions about applicability of the regulations should contact the Exporters' Service Staff, Office of Export Administration, 202-377-4811.

Multilateral Trade Negotiations

This article is another in a series of progress reports on the multilateral trade negotiations, prepared by the Commerce Department Office of International Trade Policy.

GENEVA

Success in the Geneva trade negotiations is critical to improvement in an uncertain international trade outlook, officials of GATT—the General Agreement on Tariffs and Trade—are emphasizing.

Workable agreements that come out of the mutilateral negotiations would provide an effective influence against strong protectionist pressures and supply important evidence that the trading nations can continue to cooperate in adverse economic circumstances, in the view of the GATT Secretariat.

The negotiators are now in the final stretch of bargaining, and much remains to be done. GATT officials see particular need for more progress in such areas as safeguards, subsidies and countervailing duties, agriculture, and the GATT framework revisions.

"Here, and elsewhere, work has not progressed as rapidly as it should. Even where the negotiations are on schedule," a GATT report observes, "the hard bargaining is largely yet to come, in which each participating country will have finally to decide what is the most it can give and the least it can take." (For the U.S. view, see *Commerce America*, May 8, page 6.)

"Nevertheless", the GATT Secretariat says, "and in spite of the unfavorable present economic circumstances, there is evidence of a strong renewal of political commitment by major governments to the negotiations. The potential benefits to the world community, in terms of new trading opportunities and a strengthened and updated set of rules to govern and foster international trade relations, are generally recognized. So too are the great dangers of a relapse into economic nationalism which a failure of the multilateral trade negotiations would signal, and probably entail."

The report notes that international trade itself continued to expand in 1977, "reaching a value of over $1,100 billion, and growing in volume by about 4 per cent over the previous year. During the final two quarters of 1977, however, its growth decelerated, and the outlook for 1978 is therefore particularly uncertain. Even if growth picks up, its favorable effects on employment and on the lagging world economy as a whole will be felt only after some delay. While most sectors of international trade continue to develop normally, if slowly, a few are encountering great difficulties. If these difficulties are not to spread, governments must resist any weakening of their commitment to liberal trading policies and to consultation and cooperation in overcoming trade problems as these arise."

The GATT report says that against the encouraging developments in the Tokyo Round negotiations "must be set a worldwide and disturbing resurgence in protectionist pressures which in recent months have reached a level not experienced for more than a generation. The result has been a significant increase in trade restrictions."

"While the challenge to liberal trading policies is serious", the report says, "the deterioration should not be exaggerated. There has been no general resort to protection. Most of world trade is still moving freely, and all governments continue to resist, with considerable success, domestic pressures to introduce import restrictions. Some degree of increased restriction was perhaps inevitable, given the severity and length of the recession, and the legacy left by the postponement over many years of necessary industrial adjustments.

"What is essential is that governments continue to hold fast and to contain what is recognized by all to be a very difficult and dangerous situation. This will call for a close watch on trends in national trade policies and for continuous consultation among governments."

The report says that another major challenge faced by GATT in recent months was that of deciding the future of the Arrangement Regarding International Trade in Textiles, better known as the Multifibre Arrangement. As a result of extremely difficult negotiations, spread over the entire year of 1977, it was agreed in December to renew the Arrangement for a second four-year period. This agreement was not possible without painful concessions.

Renewal itself was, however, generally recognized as crucially necessary to maintain stability and some degree of growth in world trade in textiles, and to avoid a crisis that could have caused even greater damage to the trade prospects of developing countries and seriously threatened the Tokyo Round and international trade relations as a whole.

The GATT Council met in Geneva on May 17 to consider a number of concerns brought before it. Among the agenda items discussed were an EEC-Canada dispute on lead and zinc, terms of reference for a working party on adjustment of Israeli specific duties under conditions of flexible exchange rates, extension of the Uruguayan waiver permitting use of a surcharge, and terms of reference for a working party on export inflation insurance schemes. The next Council meeting is scheduled for June 6.

The Balance of Payments Committee has conducted reviews during a period extending to June 2. The committee is scheduled to review the balance-of-payments trade measures of Finland, Israel, Brazil, Bangladesh, Ghana, Greece, Korea, Portugal, Tunisia and Yugoslavia.

POLISH-U.S. ECONOMIC COUNCIL DISCUSSES TRADE AND INVESTMENT

Representatives of 40 U.S. businesses and 30 Polish trade officials discussed trade and investment issues last month at the fourth plenary session of the Polish-U.S. Economic Council.

During the meeting, hosted by the Chamber of Commerce of the United States in Washington, the General Motors Corp. and the Polish Industrial Organizations under the Ministry of Machine Industry signed a general agreement on industrial, technological and trade cooperation.

Figuring prominently on the agenda were discussions of trade financing; industrial cooperation, including earnings projections for Polish hard currency through 1980; availability of long-term capital from private U.S. markets; the U.S. Export-Import Bank and Eurodollar markets; joint ventures, and food production.

Participating in the Council proceedings were Assistant to the President for National Security Affairs Zbigniew Brzezinski, Federal Reserve Board Chairman G. William Miller, and Assistant Secretary for Industry and Trade Frank A. Weil. Ranking members of the Polish delegation also met with Secretary of Commerce Juanita M. Kreps.

U.S. Sales Opportunities Seen As Papua New Guinea Seeks To Diversify Supply Sources

Papua New Guinea has developed as a trading nation in its own right since gaining its independence in 1975, and is seeking to diversify its sources of supply. As a former Australian territory, the country has strong traditional links with Australia, which still provides more than half of the new nation's imports. As the market grows in size and sophistication, however, Papua New Guinea will offer many opportunities for U.S. manufacturers.

This favorable outlook was the premise on which an exhibition—TRADE USA—was held this spring in the new nation's capital, Port Moresby. The exhibition, which drew over 1,000 registered trade visitors, proved the premise correct. The 12 participants representing 30 exhibitors re-

ported immediate sales at $222,342 and their 12-month projection, $1.8 million—a remarkable result in the context of annual U.S. exports to Papua New Guinea of about $30 million.

TRADE USA was the first exhibition to be staged by Commerce's new International Marketing Center in Sydney and the first U.S. Government trade exhibition in the new nation. Presenting a mix that proved to be exceptionally appropriate for the market, the exhibits focused largely on audiovisual, educational, business, and security products. This emphasis had wide appeal for government purchasers, whose buying in Papua New Guinea accounts for more than a third of all monetary expenditures.

With the exception of security items, price was not considered a major factor determining salability, the exhibitors found. However, domestic capital is limited and purchasing decisions may ultimately be more firmly influenced by price. Also, competition is increasing—especially from Japan.

Technological advantages, as they affect the salability of products in Papua New Guinea, must be assessed by reference to the level of social and economic development of the country rather than by reference to the state of the art, the U.S. Embassy notes. Factors to be stressed are versatility, reliability and efficiency in operation, ease of servicing, spare parts availability, and durability of construction.

Firms' Reinvested Earnings Enter Balance of Payments

Reinvested earnings of incorporated foreign affiliates of U.S. direct investors and of incorporated U.S. affiliates of foreign direct investors will be included in the presentation of U.S. international transactions, beginning with the estimates for the first quarter of 1978 to be published this month.

In the new presentation, reinvested earnings of incorporated foreign affiliates of U.S. direct investors will be added to the receipts of interest, dividends, and earnings of unincorporated affiliates, to present total net receipts of income on U.S. direct investment abroad. Previously, statistical difficulties precluded the publishing of these reinvested earnings on a current basis. Similar treatment will be given to reinvested earnings of incorporated U.S. affiliates of foreign direct investors to present total net payments of income on foreign direct investment in the United States.

The new treatment of reinvested earnings will affect some partial balances that accompany the presentation of U.S. international transactions. For example, for the the 1977 balance on current account, the reported deficit of $20.2 billion will be revised to a deficit of about $15 billion.

BULGARIA ASKS U.S. FIRMS TO ASSIST IN UPGRADING HEAVY INDUSTRY SECTOR

Recent inquiries by top Bulgarian industrial officials signal important new export opportunities for U.S. companies. Bulgarian Minister of Metallurgy and Mineral Resources Stamen Stamenov called on U.S. Ambassador Garthoff May 16 to request specific information on American industrial equipment and technology in the areas of ferrous and non-ferrous metallurgy, oil and gas geology, and seismic exploration. Minister Stamenov provided a detailed list of specific Bulgarian requirements that American industry could fill.

The Bulgarians, bolstered by potential Western bank credits, are interested in immediately pursuing contacts with U.S. firms in order to upgrade their heavy industry sector. This sector, long a dominant part of Bulgarian development plans, has fallen short of modernization targets, forcing the Bulgarians to look westward for sophisticated technology.

The Bulgarians have provided the following list of specific areas of interest and are seeking information from and contact with appropriate U.S. firms.

Ferrous Metallurgy: information on purification of gases from ferro alloy furnaces, sulphur oxide gases, and waste gases from steel converters and electric furnaces; catalogs, information and publicity materials on methods for the purification of waste water from metallurgical plants, utilization of the products recovered and equipment for their processing and preparation for recycling; catalogs and publicity materials for production of steel alloys and stainless steel; and information on the situation and development of direct reduction in the United States.

Non-Ferrous Metallurgy: self-propelled loading/transporting machines, self-propelled wagons on rails or pneumatic wheels; column drilling equipment for ore chimneys; mining support techniques and technologies; machines for the production of coil for zippers; machines for the production of thin-walled copper tubing for the refrigeration industry; equipment for stretching and cooling thin-walled round and elliptical brass pipes; and information on the utilization of pyritic calcines.

Oil and Gas Geology: molecular mass spectrometers; installations for the determination of inert gas (He, Ar, Xe, Ne) content in gas mixtures and natural gases (i.e., gas chromatograph with cryoscopic adapter for working at low temperatures—minus 100 degrees C. and more); and nucleus-magnetic resonance spectrometers.

Seismic Exploration: digital seismic stations and peripheral devices for oil and ore/coal exploration and for building, minicomputers for preliminary processing of digital seismic information with their peripheral devices, semiconductor elements—integrated circuits, transistors, light-diodes, microprocessors, seismic receivers and cables for telemetric transmission of seismic information, vibration devices and vibrators.

Interested U.S. companies should forward catalogs and technical literature to Robert Clarke, Commercial Officer, American Embassy Sofia, Bulgaria, c/o U.S. Department of State, Washington, D.C. 20520. For further information contact Deboorne Piggot (202-377-3352) or Michael Hegedus (202-377-2645) at the Department of Commerce in Washington.

Analysis Of PRC Market

China's almost one billion people and its developing economy, growing an estimated 6 percent a year, offer an obvious market for western industrial technology. A new publication, *Doing Business with the People's Republic of China*, by Bohdan O. and Maria R. Szuprowicz, is designed to provide exporters with information needed to identify and exploit these opportunities.

The Szuprowiczes have used American, European and Japanese government reports, UN statistics, industry trade data, academic studies, Chinese publications, and interviews with visitors to the PRC to assemble their picture of the Chinese economy. They discuss marketing opportunities in a dozen key economic sectors, with information on domestic production, expected demand, constraints and resource shortages, previous suppliers, and prospects for future trading. They describe the Ministries and Foreign Trade Corporations which make all outside purchases, and the research institutes which advise them.

This 449-page publication is available for $18.95 from John Wiley & Sons, Inc., 605 Third Ave., New York, N.Y. 10016.

Israel Schedules Exhibition Of Printing, Graphic Arts

ISPRINT '78, the largest exhibition of printing techniques and graphic arts held in Israel, will take place at the Tel Aviv Fair Grounds, Oct. 30-Nov. 3. Exhibits will focus on such themes as printing equipment and machines, setting and composing, copy preparation and reproduction, printing methods and systems, paper converting and book binding materials, equipment for the graphic arts, general equipment, and printing services. Those interested in participating should contact Ike Savitt Associates, Inc., 345 Hudson St., New York, N.Y. 10014, tel. 212-675-7060.

SOLAR ENERGY A PRIORITY ITEM IN OIL-RICH IRAN? INDEED! U.S. FIRMS LEARN

Iran is determined to be a world leader in solar energy utilization, as 15 American solar equipment suppliers learned at a U.S. Trade Center show last month in Tehran. The three-day exhibition produced $266,000 in sales, and estimates of $61 million additional during the next 12 months, plus $174 million in two years. For a nascent U.S. industry, Commerce's Don Ryan points out, such large export sales will profoundly affect the production economics of several types of solar thermal and photovoltaic systems. Ryan, who served as the show's Business Relations Director, adds however, that participants realize that a great deal of selling and market development will be required in Iran over the next several years to bring these sales to fruition.

An anomaly is apparent in Iran's determination to lead the world in solar energy application, as the country has an abundance of fossil fuels and is already a world leader in oil and gas production and export.

A U.S. solar equipment manufacturer, invited to participate in this exhibition, commented, ". . . and why would a country like Iran, with oil and gas coming out of its ears, have any conceivable interest in an alternative energy source like solar?" In 20 to 25 years, according to Iranian Government sources, the country's oil and gas reserves are expected to be largely depleted, with production limited to internal needs.

The Shah of Iran, acutely aware that 20 years of oil supplies is an instant in geologic time, is highly motivated that Iran not waste its precious oil supplies for energy needs but that petroleum be used for petrochemicals and pharmaceuticals. By becoming a world leader in solar energy utilization, Iran could lead the world onto a fast track of oil conservation, observes Ryan.

Iran is ideally suited to this role of major solar systems user. Rates of insolation are very high throughout the country, and the abundance of sunshine could be turned to useful purpose with minor dislocation. Iran has 35 million people—unlike its sister Near Eastern oil producing countries, oil rich but people poor. About one million housing units are to be built in the near future. Many of the country's 60,000 villages are remote, far from electric grid systems, and there does not appear to be a way to supply electrical needs using conventional technology. Iran is an arid country, with vast areas of fertile land, and an apparent need to irrigate much of the land under cultivation.

Market is jumping

The show participants found a number of highly qualified technicians and buyers prepared to talk about procurement and contracts, Ryan reports. For expansion in housing, the Iranian Government needs an analytical work-up preliminary to hardware selection and purchase. The National Iranian Oil Company, designated by the Shah to lead the country into alternative energy utilization, must submit a coherent national energy plan to its government in the near term. Consulting services are thus in demand for desalination expertise, feasibility work-up for a large solar heated office complex, and total feasibility analysis of two large cities in the south of Iran.

Most Iranians came to the show for educational purposes, as they were not fully aware that solar energy represents a here-and-now technology with a variety of off-the-shelf products available. They quickly learned, however, that systems review could begin immediately.

Photovoltaic electricity generation offers bright prospects, and the exhibition's solar cell participants received requests for proposals with a multi-million-dollar potential. The key to photovoltaic application breakthroughs, as with any solar technology in Iran, is large-scale demonstration projects. Suppliers are now working with their Iranian counterparts to get test systems before the public and government authorities. If 60,000 rural villages need an average of 25 kw. of electricity, that would represent a $1 billion marketing opportunity for U.S. photovoltaic suppliers. It should be possible to bring in an initial 100 of these villages within two years for about $13 million.

Solar cells also have multimillion dollar opportunities for water pumping and cathodic protection of bridges and pipelines. With such economies of large scale in the offing, joint venture manufacturing is possible—and desirable on the part of the Iranians, for access to the cutting edge of the technology of solar cell manufacture.

Electric power generated in Iran, 15.7 billion kwh. in 1975, is expected to grow to 48 billion kwh. by 1980. Though Iran sees nuclear power as picking up a large share of generating capacity in the future, there is a major role for solar power. Iran will buy a number of solar tower systems for testing purposes. The Ministry of Energy is considering proposals for prototypes, and it is conceivable that up to one half of Iran's remote villages might be served using a series of solar towers. The show also demonstrated a market for a hybrid solar power station comprising full tracking parabolic concentrators and first-stage-preheat flat plate

IN SUNNY IRAN—*During the Tehran U.S. Trade Center's solar energy equipment exhibition, W. J. Yerkes (center), an executive of Arco Solar, Inc., explains his company's photovoltaic cells to potential buyers. Photo at right shows (from left) Eng. Nayer-Nouri of the Iranian Engineering Association with Dr. Fred Gorschboth and Mr. Narayahan of Booz-Allen Applied Research.*

collectors. As this is off-the-shelf technology, the American manufacturer expects to develop a multi-million-dollar market for this concept within two years.

For heating, cooling

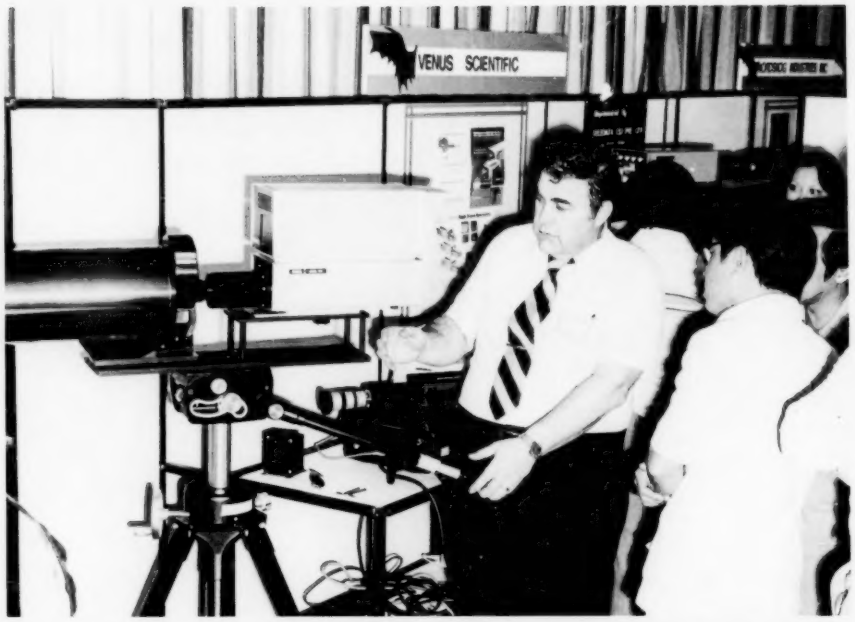
Solar hot water and solar heating and cooling, for residences and for commercial applications, are also of profound interest. During a "blue ribbon" call on the office of the Iranian Prime Minister, Ryan learned that the government has under consideration mandating the use of solar hot water systems in all new residences built in Iran. With upwards of a million housing units to be built, this requirement would open some tremendous solar equipment needs. These needs would have to be satisfied initially at least by imports, as there is presently no solar thermal collector production in Iran.

Various Iranian Government officials were among the exhibition's visitors. In view of the Shah's mandated interest in solar energy implementation, they are considering production of solar equipment on a large scale—$50 million in flat plate collectors within two years, $100 million in concentrating collectors within three years, and $500 million in photovoltaic production within five years.

Is it realistic to think that these projects might develop? The Commerce Department's experience with Iran, notes Ryan, is that the country can focus tremendous resources on a sector or a process should it reflect the national purpose, and that it would be foolish to discount the Iranian national purpose in developing solar energy. The United States, by being first on the ground with a major show and conference, alerted the Iranians to the fact that we view their interest seriously and that we wish to work with them commercially and officially to help them achieve their solar goals.

Companies participating in the Trade Center show were: Acurex Corp., Mountainview, Calif.; Alpha Solarco, Cincinnati; Arco Solar, Inc., Chatsworth, Calif.; Booz-Allen Applied Research, Bethesda, Md.; Cimarron Solar Industries, Oklahoma City; Energy Alternatives, Inc., Wichita, Kan.; Foster Wheeler Solar Development Corp. Livingston, N.J.; Gas Developments Corp., Chicago; McDonnell Douglas Corp., Long Beach Calif.; Northrup, Inc., Hutchins Tex.; Planning Research Corp., Washington, D.C.; Solarex Corp., Rockville, Md.; Total Energy Applications Management Inc., Springfield, Va.; Vachon, Nix & Associates, Atlanta.

The U.S. Trade Center in Tehran will be the focal point for solar market penetration. Market research will be continuously updated and a variety of trade promotion events will be staged. For information, call Don Ryan at 202-377-2952, or write: CAGNE, Rm. 6015B, U.S. Department of Commerce, Washington, D.C. 20230.



IN SINGAPORE—*At International Marketing Center's avionics and aviation equipment show, Jerome Kleifgen demonstrates Venus Scientific low-light-level television cameras to interested customers. Kleifgen, a new-to-market exhibitor, expects his sales in the next 12 months to reach $400,000 as a result of this promotion.*

U.S. AVIATION EQUIPMENT SHOW IN SINGAPORE DRAWS BUYERS FROM BROAD AREA

Both general and commercial aviation sectors responded vigorously in Singapore to a recent U.S. exhibition of avionics and aviation ground support equipment. The thousands of square miles of water between Singapore and its Southeast Asian neighbors, the miles of poor connecting roadways between urban areas within these countries, and the ever-increasing use of aircraft by the petroleum industry in Southeast Asia, all contributed to a broader-than-expected interest in the Commerce Department International Marketing Center's exhibition, AVIEX '78. More than 15 percent of the registered attendance came from outside Singapore. As a trading and service center in the region, the country offers continuing favorable potential for re-export of avionics and aviation equipment.

The 16 participants representing 28 exhibitors reported $122,300 in floor sales, and $9.7 million in orders projected for the next 12 months. Radio communication and navigation equipment, radar/radio altimeters, ground warning proximity systems, long-range navigation systems, secondary surveillance radar aviation systems, and airborne color radar sets were judged to have the best potential.

U.S. avionic and aviation equipment enjoys a good reputation in the area, because of the technological lead of U.S. suppliers. In fact, some of the exhibited products have no competition at the moment—not only because of their newness in this market but because of their more advanced technology. The majority of the exhibitors believed that their equipment was priced competitively with that of other third country suppliers, though it is difficult to compare prices of these products because of differing design and quality. In addition, freight rate charges from the United States are higher. Japan can supply less sophisticated products—such as airfield/runway lighting accessories and terminal support systems—at lower prices.

Other major competitors are the United Kingdom and Germany. British products are popular because of their traditional entrenchment. German products, though sophisticated, tend to be non-competitive in price—largely a result of the unfavorable exchange rate of the deutschemark.

With the exception of a few items that require little technical sophistication, there is currently no major local production of this equipment. Over the next three to five years, however, more equipment not requiring high technology is also likely to be produced.

Local consumption is expected to continue to depend on imports over the next five years. Currently, about 80 percent of imports into this market are from the United States.

The Singapore government is expected to spend more than $100 million over the next five years for relevant equipment for the $528 million international airport at Changi, Singapore Airlines, and the upgrading of the Singapore Air Force facilities.

INTEREST IN SECURITY, SAFETY PRODUCTS RISING RAPIDLY IN NORDIC AREA

Interest in safety and security products is rising rapidly in Scandinavia. Despite the regulatory hurdles to be overcome in selling such equipment, U.S. exhibitors at a recent Stockholm U.S. Trade Center show reported floor sales of $308,400 and 12-month projections at $2.3 million. The 21 participants representing 41 exhibitors drew customers from Denmark, Finland, and Norway as well as Sweden.

A major factor in keeping first-year sales projections from being even higher was the exhibitors' discovery that most of their equipment was subject to safety and technical standards mandated by the governments of the Nordic countries. Not certain of the extent of modification necessary, most exhibitors judged that it would take more than 12 months to complete testing and approval. Thus, the U.S. firms expect their sales eventually to far exceed their 12-month projections.

For example, Stephen C. Carpenter, representing Continental Instruments and its card access system, said that solely due to participation in this show, his firm was asked to prepare a quotation for a Swedish prospect. The firm's quotation, for more than $12 million worth of equipment and cards, will be submitted in a few weeks. Carpenter's projection was not included in the overall figure, as he does not expect the sale to be completed until after 12 months have elapsed.

Again, Jan Guthammar, representing TPS Inc.'s fence alarm system, though reporting no estimate in figures, said that the new product must be tested by the Swedish authorities, but if approved will sell well, as buyers evinced great interest.

SAFETY SELLS—*At Stockholm U.S. Trade Center exhibition of safety and security equipment, Victor Lessard (right), President, Vitronic Remote Car Starter, explains his product's features to Scandinavian businessmen.*

On only four items in the exhibition was price considered a significant factor, either positively or negatively: the U.S.-made sprinkler systems were judged to have exceptionally competitive prices; the closed circuit TV equipment, lock cylinders and portable extinguishers, "too-high" in price. The technology of all products was judged to be adequate or leading—particularly "out front" in such areas as night vision equipment, perimeter protection equipment, access control systems, halon extinguishing systems, eye protection equipment and lock cylinders. U.S. technological leadership in the security field is expected to continue; however, equivalent or more intensive interest in safety factors is stimulating developments by Scandinavian manufacturers.

The growing importance of Swedish firms like L. M. Ericsson and Securitas as contractors of systems in many parts of the world makes them of growing importance as purchasers of safety and security components.

Standards to be met range from electrical and radiation level requirements to pressure vessel rules and certification by the telecommunications authority, police and fire authorities, and the insurance board. The best way to cope with this time-consuming process, the U.S. Embassy notes, is to appoint an agent on the scene —who has a financial interest in getting the requirements met as soon as possible. Eleven exhibitors appointed 13 agents and distributors—8 Swedish, 4 Danish, 1 Finnish—and some 15 agreements were under negotiation as the show closed.

French Buyers Queue Up In Paris To See Latest U.S. Computer-Related Equipment

The French market for computers and peripheral equipment is expected to expand rapidly in the next few years, and the United States is at present the leading foreign supplier to that market.

During Printemps Informatique '78, a recent exhibition of computer-related products at the Paris U.S. Trade Center, a line formed outside each day and the hall was crowded from morning till night by buyers interested in viewing the $2.8 million worth of equipment on display. Immediate sales reached $1,241,900; 12-month projections totaled $42.4 million. Seven agreements were signed, 17 more expected during the year. The 3,000-registered-visitor total topped the attendance at any of the other shows of the 11-year-old Paris Center.

The list of products offering the best potential includes mini and micro computers, floppy disk systems, optical readers, analog and digital converters, multiterminal systems, digital plotters, package software, and many others. According to most of the exhibitors, certain sectors of the economy—especially manufacturing, banking and building—will turn increasingly to the use of terminals. Rapid growth is also foreseen in demand for removable disks, diskettes and magnetic cassettes and cartridges.

For equipment that is new on the French market, price is not a problem. Some U.S. equipment is more expensive than French similar equipment; but also, it may be technologically superior.

This year's show featured 52 exhibitors representing 114 companies, with waiting lists in both Paris and Washington. At the first Printemps Informatique, in 1975, 72 companies were represented.

TRADE CENTER, PARIS—*During recent U.S. exhibition, a mirco computer from the California firm, Eurapple, is being introduced to a potential customer.*

Philippine Economy Is Healthy But Growing Only Moderately; Investment Has Been Sluggish

The Philippine economy continued its slow but steady forward progress during 1977, according to the U.S. Embassy in Manila. The government is hoping that recent strong export growth and higher public expenditures will stimulate a faster economic pace as 1978 wears on.

The economy grew by 6.1 percent in 1977, compared to 6.7 percent in 1976. The manufacturing sector, stimulated by export-oriented output growth, and the mining and quarrying sector, led the moderate growth for the year. Growth in agriculture and construction slackened, and domestic investment slowed. The Philippines recorded its first balance of payments surplus in three years, $164 million, due to a reduced current account deficit and favorable capital inflows. Exports grew by 22.2 percent while imports grew only 7.7 percent, and actually declined in real terms.

Government activity continued to be a dominant feature of the economy, as evidenced by the increase in the ratio of government expenditures to GNP from 14.4 percent in 1976 to 15.1 percent last year. Actual national government revenues, however, were 9 percent short of mid-year estimates, mainly due to a decline in proceeds from import duties caused by the low import growth and the increasing proportion of tax-exempt imports.

In an effort to rationalize the distressed sugar industry, the government activated the Philippine Sugar Commission (Philsucom) which took over all the activities from the Philippine Exchange (Philex) and will establish and carry out policies to govern the sugar industry. Since the sharp turndown in sugar prices starting in late 1975, the government has financed large stocks of inventories and declared a policy of reduced domestic production of the commodity. The Philippines is a signatory to the International Sugar Agreement negotiated in 1977.

The hotel industry, which has suffered low occupancy rates, was granted relief on debt obligations when the government agreed to restructure hotel loans with government financial institutions. In a major development in the transport sector, the government took over the ownership and management of the country's major airline, Philippine Air Lines. Moves were taken to organize a "single voice" organization to represent the private sector in dialogues with the government leading to the merger of the Chamber of Commerce of the Philippines and the Philippine Chamber of Industries.

A major development in the external credit picture took place as the government adopted in early 1978 a new foreign borrowing scheme, whereby the Central Bank will arrange consolidated loans for government agencies, government corporations and those with substantial government equity. To take advantage of the high liquidity in the international financial markets, the Bank lowered the permissible interest rates on foreign loans. The Bank is also reportedly engaged in renegotiation of existing loans.

REGIONAL HEADQUARTERS IN MANILA—*Since it began operations in 1966, the Asian Development Bank, working from its base on Roxas Boulevard, Metropolitan Manila, Philippines, has been promoting economic and social progress in the Far East.*

The government last year approved a five-year development plan for the period 1978-82 in the context of a ten-year plan up to 1987 and long-term plan to the year 2000. Among the major goals of the plan are acceleration of the GNP growth rate from 7 to 8 percent; expansion of more productive employment opportunities; greater self-sufficiency in food and energy; reduction of income inequality; strengthening of the balance of payments; accelerated domestic resource mobilization to lessen dependence on external financing; and increased development in the rural areas. The five-year plan is the most comprehensive fixed-term plan ever adopted by the Philippines.

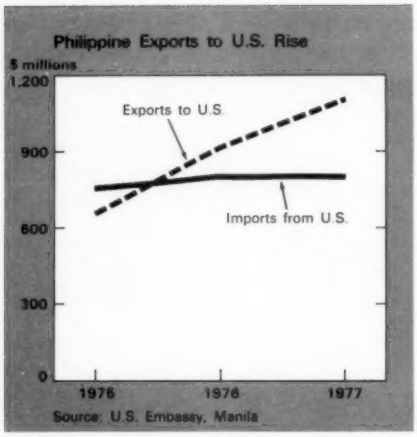
A major policy focus elaborated in the plan is the strategy of increasing the share of gross domestic product of the regions outside Metro Manila through the dispersal of industries. The concept of regional development has been embodied in the countryside development theme of the 1978 budget.

The government has projected a 7 percent real growth rate for 1978. The World Bank expects both exports and government expenditures to give stimulus to the economy. It projects that with incomes once again rising as fast as production due to the stabilization of the terms of trade, consumption demand should also revive. The resulting increase in manufacturing output could stimulate a revival of private investment. However, one private forecast does not anticipate investment activities picking up significantly in 1978 due to relatively low effective capacity utilization rates.

Acceleration of growth in the construction sector calls for continued growth of public works projects offsetting the modest private construction demand, but the growth in government infrastructure spending has proven to be sensitive to revenue shortfalls in the past and will depend on the success of the government's revenue collection efforts.

On the export front, expected commodity leaders are coconut products and manufactured exports. The increase in the value of coconut product exports should not be as spectacular as in 1977 as the world fats and oil supply recovers. Modest increases in production and exports should be offset by lower prices causing 1978 export receipts to stabilize at the 1977 level. The government is presently studying a proposal to increase the export tax on copra to encourage further processing of coconut oil and copra meal.

Earnings from sugar exports could be lower than in 1977 due to the reduced export volume (basic export tonnage at 1.4 million metric tons) permitted under the International Sugar Agreement. Thus, although the Philippines has contracted to deliver 1.55 million tons during 1978, Phil-



sucom has conducted negotiations to reduce the amount in line with the country's export quota. Prices may pick up slowly.

Prices for logs and lumber improved late last year, but it is not certain whether this will stimulate production. The Southeast Asia Lumber Producers' Association (SEALPA) recently decided to limit export of logs from the region to 30 million cubic meters annually, with the Philippine quota set at 2.4 million cubic meters for 1978. Improvement will have to be derived therefore from processed wood products, where the long-term outlook of the world export market is bright, according to a private report.

Prospects for recovery in copper prices, however, remain dim in light of OECD projections that the world economy will probably repeat the 1977 pattern of sluggish growth insufficient to stimulate investment and bring about significant increases in metal prices. Nickel prices are also expected to remain low, and there are recent signs that the chrome market may have stabilized.

Potential obstacle

Increasingly important in the export picture are the unilateral freight increases by shipping conferences which may become a serious obstacle to continued international competitiveness and long-term growth of Philippine export products. Philippine response to this problem consists of proposals for the organization of an ASEAN-based, controlled and oriented shipping line coupled with a shipbuilding program.

The World Bank estimates that to achieve a 7 percent real growth in GNP for 1978, imports should grow by 14-15 percent in current terms. This would result in a continued trade deficit, possibly higher than that of 1977. However, sustained positive balances in the transfer accounts and high net capital inflows (perhaps $950 million in commercial borrowings and $700 to $800 million in official development assistance) will compensate for much of the current account deficit. The five-year plan projects a rough overall balance in external payments, requiring an 18 percent growth in exports.

Drilling off the coast of Palawan has yielded promising results. Officials expect that wells to be developed by Cities Service will be in production by late 1979, bringing in as much as 10 percent of Philippine petroleum needs.

The investment picture

As a reflection of the sluggish investment activity, new local and foreign investment approved by the Board of Investment (BOI) declined by 45 percent, from $191 million in 1976 to $105 million in 1977. Foreign investment registered $45.7 million, also down by 45 percent from the previous year. U.S. investors registered 30 percent of the new approved foreign investment while the Japanese had a 20 percent share. The drop in foreign investment applications was traced to substantial cutbacks in the agro-based and mining and mineral processing sectors.

Officials blame the decline in investor interest on high interest rates, and actions have been taken to lower these rates. Businessmen, however, have cited other factors contributing to the investment slump, notably the slow recovery of the economies of the major sources of foreign investments, lack of business confidence, and the overcapacity in certain sectors. A revision of the Philippine Patent Law, providing for compulsory licensing and setting maximum royalty rates, has met with concern from foreign business.

The U.S. share of the Philippine import market in 1977 was 20.4 percent, the lowest in a decade. The leading items are materials imported on consignment basis for manufacture, which constitute a substantial proportion of the value of nontraditional manufactured exports of the Philippines, wheat and corn, and construction-related equipment. The relatively low growth of Philippine imports from the United States reflects both weak import demand derived from investment activities and stiff competition from other countries, particularly Japan with its 25 percent share of the import market.

The depreciation of the U.S. dollar in relation to the yen, however, should provide a competitive stimulus for U.S. exporters to strengthen their position in the Philippine market. Best prospects lie in pollution control instrumentation and related equipment, computers and peripheral equipment, telecommunications equipment and systems, food processing and packaging equipment, energy systems and industrial power equipment, scientific and industrial analytical equipment (laboratory instruments), health care and medical equipment, and heavy-duty construction and earthmoving and mining equipment.

NEW THAI GOVERNMENT GETS HIGH MARKS SO FAR FOR MANAGING ECONOMY

Thailand achieved its target of a 7 percent growth rate in 1977, despite moderate to severe drought conditions in parts of the country, and prospects are bright for the same growth rate during 1978, according to the U.S. Embassy in Bangkok.

In October 1977 a new government under General Kriangsak Chamanan assumed power from the previously appointed civilian government. The new government's economic policy, announced on Dec. 1, contains the following points:

- Adherence to the Fourth National Economic and Social Development Plan, which emphasized rapid development of rural Thailand, particularly the poorest sections of the country. The program entails acceleration of rural development programs including water resources development, feeder road construction, reforestation, and increasing agricultural productivity through the use of irrigation, fertilizers and better yielding seeds. Both domestic and foreign investment in industries utilizing agricultural products would be encouraged and facilitated.
- Promotion of labor-intensive industries using local resources, especially those with export potential. Special consideration would be given to those investing in the tourist industry.
- Accelerated development of transportation, communication and weather forecasting services. This would include improvement of mass transit systems in the Bangkok metropolitan area as well as highway and rail freight delivery systems. Accelerated construction of a deep-sea port at Laem Chabang and, as a short-term measure, improvement of the Don Muang International Airport. In the longer term, a new international airport is envisaged to meet the expanding needs of national and international airlines.
- Establishment of fair market prices for both consumers and producers consistent with the development of a free enterprise system as well as expansion of overseas markets to include socialist countries. (There is no intention here to set wage and price guidelines, only an effort to correct a tendency of previous governments to maintain prices of certain commodities at artificially low levels.)
- Improvement in the efficiency of state-owned public utilities. Other state enterprises which are inefficient or are competitive with private business will be disbanded or sold.

This program was favorably received by the business community, and the government has given every indication that it intends to carry it out.

Despite continuing problems with the bureaucracy and some lingering mistrust of the government as an institution, busi-

ness confidence in the Kriangsak government is high.

Thailand will, for the second year in a row, undoubtedly have a substantial balance of payments deficit in 1978. It is not likely that exports will grow nor imports decline as fast as is necessary to regain a balance. Income from services will partly offset the deficit in the trade account. While tourism in 1977 increased some 4 percent over 1976, its growth rate has been a source of disappointment to Thai authorities. Neighboring countries with significantly less tourist potential are registering much higher growth rates in this sector.

Thailand will continue to have recourse to borrowing from international banks over the next few years. Thailand's initial venture in the Eurodollar market in 1976 was a $100 million five-year loan which carried an interest rate 1⅜ percent over the London Inter-Bank rate. In February of this year Thailand made its second foray into the Eurodollar market. In 1977 borrowing totaled some $60 million, and further loans in excess of $60 million are being solicited and will be concluded shortly, according to banking sources. Thailand also intends to draw upon the IMF Trust Fund derived from sales of IMF gold. Even with this increased borrowing, a balance of payments deficit in excess of $150-$200 million is likely for this year. With a strong net foreign exchange reserve position ($1.2 billion as of November 1977) and a low debt service ratio (about 15 percent, public and private), managing the prospective deficits will not be too troublesome. Net reserves recently have fallen from five months imports to four months, but again the deficit problem is not serious as Thailand continues to enjoy an excellent international credit rating.

Last year was a year of healthy growth for Thai exports, up 15 percent over 1976. Record rice exports of 2.8 million metric tons, valued at $674 million or 17 percent of total exports, were the largest single factor. But with anticipated low domestic stocks and approximately 10 percent lower rice production during the 1977-78 season, restraints have been imposed on rice exports. As a consequence, the government has lowered its 1978 rice export forecast to a conservative 1.2-1.4 million metric tons, or 55 percent below 1977. The actual production level may well be higher. A considerable effort is being made this year to bring in a sizable second rice crop, and rice prices remain high in world markets.

Drought conditions have also affected the corn crop and new export restraints will significantly lower exportation of this crop. With large crops of competitive animal feed produced in Europe, the outlook for tapioca is less bright than it has been for the past few years. There is little prospect for increases in sugar prices and no prospect for the kind of production increases that Thailand has recorded in recent years. Prospects for natural rubber and tin, currently in good demand, depend on the level of industrial activity in the developed countries. All in all, 1978 shapes up as a period of difficulty for Thai export earnings.

Imports in 1977 were 29 percent higher than in 1976. Petroleum imports have been the fastest growing item. They alone account for between 20-25 percent of total imports. In terms of importance, petroleum imports are closely followed by vehicles and spares and more distantly by iron and steel and electrical appliances.

In an effort to slow down the burgeoning trade deficits, the Thai Government in March announced a two-pronged program of higher import taxes and unpegging the baht from the dollar to a basket of currencies. The higher tariff level affects 141 commodities. Textiles and footwear, consumer electrical equipment, passenger cars and motorcycles, and finished consumer manufactures are the hardest hit by the new taxes. Most capital equipment and farm implement machinery will not be affected by the new tariff schedule and should continue to enjoy growing markets in Thailand.

On The Right Track

Thailand's new government shows promise of being able to reconcile the divergent interest groups that have been a source of instability in the past. In addition, it has shown a capability for taking the difficult decisions necessary to protect the country's economic viability. The amelioration of economic and social disparities left unsolved during previous periods of growth is one of its more urgent tasks.

The government estimates about $150 million in new revenue will be generated by the revised tariff schedule but is uncertain of the import dampening effect. Combined with more stable export earnings from pegging the baht to a basket of currencies, the new policy could reduce the trade deficit by as much as $300-$400 million.

Increased imports reflect the healthier state of the Thai economy, with much of the import bill accounted for by material and capital equipment needed for Thai manufacturing and development. The new policy, however, reflects the authorities' concern that the level of imports is too high and the country will have to be increasingly selective about the composition of its imports to reduce the trade deficit.

A new departure of the Kriangsak government has been its efforts to open and enhance trade relations with Asian and European Communist countries as well as with Arab states. These countries are seen as potential customers for textiles now in surplus, as well as agricultural and fishery products.

The Kriangsak government has reaffirmed the previous government's commitment to develop the large natural gas deposits in the Gulf of Siam. To that end, the Natural Gas Organization of Thailand (NGOT) in February selected Chase Manhattan Asia as a financial consultant and narrowed the choices to a short list of three U.S. firms from which an engineering/management consultant will be selected. It is anticipated that by mid-1978 the government will have made its selection and will be well on the way toward naming a prime contractor for the pipeline project. The key to ultimate progress remains an agreement with Union Oil and Texas-Pacific on a wellhead price for the gas the two firms have discovered in the Gulf. The NGOT held rounds of talks with each of the firms in March.

On the industrial front, the government in March banned construction of new textile industry plants or the expansion of existing plants. Only garment makers were exempted. The objective is to assist the ailing textile industry, which, with a work force of 200,000, is the nation's largest. Although producers of fibers and garments have, in general, shown profits, many textile industry firms have been in trouble since the loss of about 15 percent of the export market when Vietnam and Cambodia fell in 1975, and because of the imposition of restraints in 1976-77 on exports to major textile and garment markets in the United States, Western Europe, Australia, and Japan. Resumption of shipments to the Socialist Republic of Vietnam and to Cambodia, which might follow recent steps to normalize political relations with these countries, could, however, improve the industry's prospects. In that regard, commercial airliners (except Pan American, Korean Airlines, and China Airlines) on March 23 began overflying Laos and the Socialist Republic of Vietnam for the first time since April 1975. Reopening of the route cuts 1½ hours off the 3½-hour flight time required to skirt Cambodia and Vietnam on flights between Bangkok and Hong Kong.

In contrast to most textile industry firms, the nation's miners have rarely been busier or more prosperous. Buoyed by high world prices for tin and tungsten, Thailand exported minerals and tin metal worth $320 million in 1977. Of this total, tin accounted for about $250 million. For the year, minerals ranked fourth as a major export, after rice, tapioca and sugar.

Following the October 1977 coup, the Thai Government gradually relaxed most of the restrictions on organized labor, with the exception of the ban on strikes and the prohibition on political activities. It also

(continued on page 20)

COMMERCE UPDATE
ON THE DOMESTIC SCENE

INDUSTRY POLLUTION CONTROL PLANS--U.S. businesses plan to increase their capital spending for pollution abatement this year by 3 percent to $7.2 billion, according to a survey by Commerce's Bureau of Economic Analysis. Anti-pollution spending increased 3 percent to $6.9 billion in 1977, following a 3 percent increase in 1976. The 1977 actual increase was well below the planned increase of 11 percent reported a year earlier. Most of the shortfall was due to changes in plans by manufacturing industries.

FEDERAL PROCUREMENT CONFERENCE--A conference to provide the business community personal contacts with procurement specialists from Federal military and civilian agencies and Federal prime contractors will be held June 23 at Leonard's of Great Neck, Great Neck, N.Y., under the sponsorship of Rep. Lester L. Wolff. Diane M. Laufman of Rep. Wolff's office has details on 202-225-5956.

U.S. INDUSTRIES HONORED--The first in a projected series of special exhibitions honoring American industries has begun at the Commerce Department building in Washington. Subject is the U.S. canned tuna industry, now celebrating its 75th anniversary. The observance was coordinated by the Tuna Research Foundation of Washington; it embraces displays of photos, industrial equipment, artifacts and old films.

DATA, DATA EVERYWHERE--Better methods are attainable for coping with massive data flows, according to a new publication by Commerce's National Bureau of Standards. Data management is reviewed from many angles by 27 specialists in the 155-page book, "Proceedings of the Third National Symposium on Management of Data Elements," obtainable at $8 from the National Technical Information Service, 5285 Port Royal Rd., Springfield, Va. 22161 under the reference number PB-279-661.

SEAMANSHIP TROPHY GOES TO RESCUER--The 1978 American Merchant Marine Seamanship Trophy has been awarded by Assistant Secretary of Commerce Robert J. Blackwell to Capt. Paul Holland, an Exmore, Va., commercial fisherman. Captain Holland single-handedly pulled 14 passengers and crew members out of a capsized charter fishing boat during a storm on Chesapeake Bay.

HOUSING STARTS AND BUILDING PERMITS--Census Bureau figures show that during 1978's first four months 562,900 privately owned housing units were started, compared with 549,000 units for the same period of 1977. Four month figures for building permits for new privately owned housing: 503,200 units authorized. This compares with 489,500 units for 1977.

PERSONAL INCOME--U.S. personal income increased $23.3 billion in April to a seasonally adjusted annual rate of $1,680.1 billion, according to Commerce's Bureau of Economic Analysis. According to revised figures, personal income increased $22.3 billion in March and $9.3 billion in February.

OFFICE OF CIVIL RIGHTS--An Office of Civil Rights has been set up in the Commerce Department, in a consolidation and expansion of the Department's civil rights efforts that affect the business community, other government agencies and public. In addition to handling the affirmative action programs and discrimination complaint system within the Department, the office will work to assure that there is no discrimination in programs of Federal financial assistance administered by the Department, or in employment practices of Federal contractors and contractors involved in Federally-assisted construction contracts.

NEW COASTAL INFORMATION CENTER--A regional coastal information center for planners, managers, scientists and public is being set up in Ann Arbor, Mich., at the offices of the Great Lakes Basin Commission and the Michigan Sea Grant Program. Funds came from several agencies in Commerce's National Oceanic and Atmospheric Administration and the University of Michigan. Similar centers already exist in the Northeast and the Pacific Northwest. They give guidance on coastal area subjects, including laws and zoning regulations, scientific data and sources. The new center will exchange information with Canadian officials.

Population Growth Slows; Shift To Open Spaces Speeds Up In 70's

This article was written by Chief Economist Courtenay Slater in collaboration with Bureau of the Census demographic statistician Mark S. Littman.

Dr. Slater

Changes in size, composition, and geographical location of the population so far in the 1970's generally reflect a continuation of trends evident in the 1960's. However, there have been marked changes of pace, and one or two reversals in these trends. Changing social attitudes and the more widespread availability of effective methods of birth control have sharply accentuated the slowdown in overall population growth in progress since the early 1960's.

A drop in the number of children, along with some decline in the death rate, has meant a rise in the median age of the population and an increase in the percentage of the population in the retirement ages. The rate of migration of population from the North and Northeast to the South and West has speeded up in the 1970's compared with the 1960's. Population of central cities, which had risen slowly in the 1960's, has been declining in the 1970's, while at the other extreme, population in nonmetropolitan areas has been growing about twice as rapidly in the 1970's.

Knowledge of these changes in population growth rates and geographic location, and projections of future trends, are vital to planners in government, business, and educational and other institutions. Many characteristics, such as the size and age structure of the adult population, can be charted for years ahead with relative confidence, while others, such as birth rates, are much harder to predict.

In general, the birth rate in the United States has declined for the past two centuries, with the post World War II baby boom the only major interruption in the downtrend. The drop in the rate was especially steep from 1970 to 1973, and a further gradual decline through 1976 brought the rate to the lowest level ever recorded. Current fertility rates imply a lifetime average of 1.8 children per woman, or well below the 2.1 average necessary for a stable population in the long run. Nevertheless, in the aftermath of the baby boom, the proportion of women in the most fertile ages is now so high that even if the fertility rate were to fall to 1.7 children and remain their indefinitely, the U.S. population would not stop growing until well into the next century.

The death rate has been slowly declining again in the 1970's after about 20 years without much change, mainly reflecting fewer deaths from circulatory diseases and accidents. The decline implies that annual deaths are now about 150,000 fewer than likely by the 1970 rate.

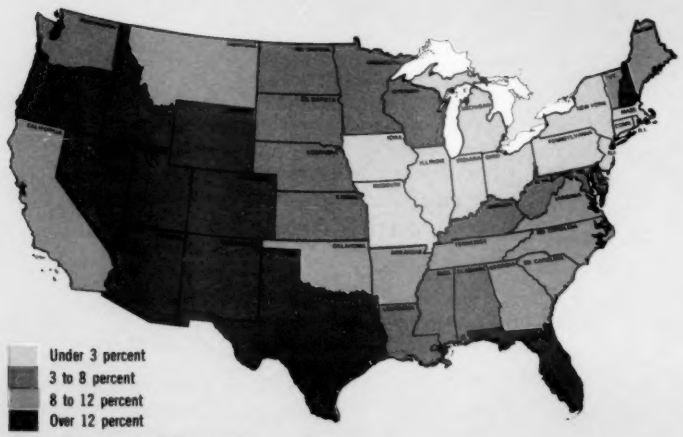
Net legal migration into the United States has been fairly steady for some years at around 300,000. However, since a change in the immigration laws in 1965, the proportion of Asiatics has risen to about 30 percent of the total, while the share of Europeans has declined. Illegal immigration is believed to have increased substantially, but comprehensive data on such immigrants are impossible to obtain.

The sharp drop in the birth rate and the decline in the death rate has substantially altered the age composition of the population. The population age 13 and under has fallen about 12 percent since 1970, while the population age 25 to 34 increased by almost one-third. Partly because of declining death rates, the population 65 and over rose by 18 percent.

Although the major part of the population of the year 2000 has already been born, the level of population for that year is subject to considerable uncertainty because of potential future changes in birth and death rates. Census Bureau projections range between 246 million and 283 million. The lower projection assumes a continuation of the present low fertility rate, while the mid-range (Series II) projection assumes a replacement fertility rate. The latest Series II projection for the year 2000 has been reduced by 2 million from that made two years ago.

Changing trends in the geographic distribution of the population reflect, among other factors, increases in the retirement-age population and an increasing affluence

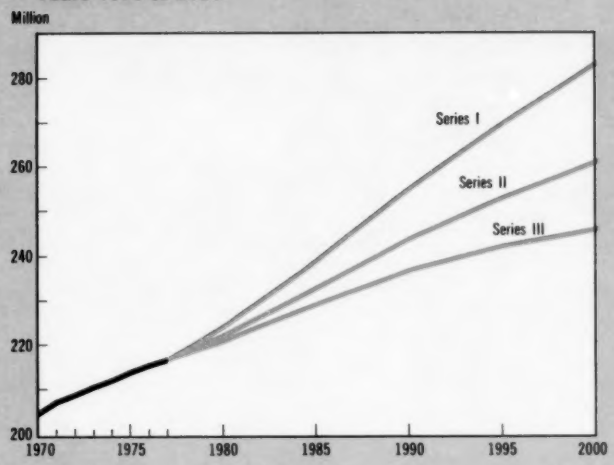
Percent Change in Population by State 1970 to 1977



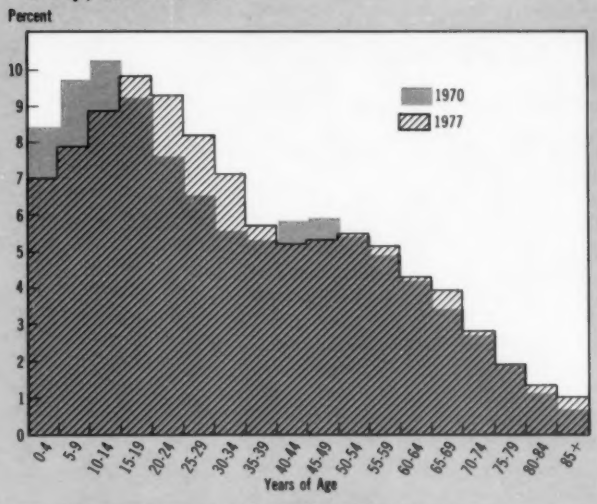
Alaska - 34.6 percent, Hawaii 16.2 percent

SOURCE: Bureau of the Census

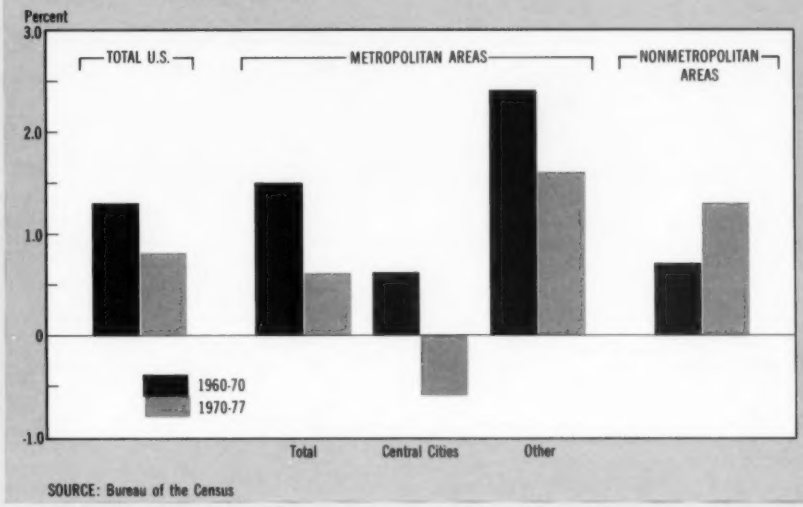
U.S. Population and Population Projections Years 1970 to 2000



Percentage Distribution of the U.S. Population by Age Group, 1970 and 1977



Population Change in Metropolitan and Nonmetropolitan Areas
(Average Annual Percent Change)



SOURCE: Bureau of the Census

that permits moving to warmer climates.

An apparently widespread new yearning for open spaces and the simple life also has contributed to a sharp speedup of population growth in rural areas. Since about 1970, the population has been growing at a more rapid rate in non-metropolitan than in metropolitan areas. This represents a reversal of one of the nation's established long-term trends. For many decades before 1970, population in metropolitan areas—the larger cities and their suburbs—grew more rapidly than in non-metropolitan surroundings. Thus, by 1970, over two-thirds of the population lived in Standard Metropolitan Statistical Areas (SMSA's), which essentially consist of cities of 50,000 inhabitants or more, the counties in which they are located, and neighboring counties closely associated with them by daily commuting ties.

The total SMSA population increased by 7 million persons, or 0.8 percent per year during 1970-76. Non-metropolitan population increased by about 4 million persons, or 1.2 percent per year in the same period. Thus, although the numerical growth of the metropolitan areas since 1970 was larger than that of non-metropolitan areas, the latter grew at a faster rate. In the 1960's, the percentage increase in population in metropolitan territory (as now defined) was several times greater than that of the non-metropolitan population increase (1.6 percent per year as compared to 0.4 percent).

Further reflecting this trend toward open spaces, the slowest growth has come in the largest cities. None of the seven largest metropolitan areas, having populations of 3 million and over, grew by as much as 5 percent from 1970 to 1976. Taken together, these areas have grown only 0.1 percent annually in the 1970's, compared with 1.4 percent annually in the 1960's. Growth also slowed considerably in medium-sized areas—500,000 to 3 million. On the other hand, metropolitan areas with fewer than 500,000 people have grown at about the same rate as earlier.

Within the metropolitan areas, the central cities as a group have lost population since 1970, in contrast to moderate gains in the 1960's. The suburbs are still growing at a rate well above the national average, but the rate has slowed.

The net migration of population out of the Northeast and North Central regions and into the South and West has increased markedly in the 1970's. A noteworthy exception, however, is upper New England, which has had rather sharp gains in population. All four major geographic regions show a net migration into their non-metropolitan areas.

Three states which in 1970 had less than one-fifth of the nation's population accounted for two-fifths of the population growth between 1970 and 1977—California, increasing by 1.9 million; Florida by 1.7 million; and Texas by 1.6 million.

Some states with open spaces rather than mild climates have also grown at very fast rates: Alaska, Idaho, Wyoming, and Nevada increased their populations by more than 20 percent since 1970.

The future geographic distribution of the U.S. population is of course difficult to predict. Recent public opinion polls show that over half of the American people would prefer to live on a farm or in a small town. The movement away from the cities in recent years obviously reflects this yearning. But public moods change; disenchantment with the simple life, as well as rising cost of motor fuels, could bring a movement back to the city—and, in fact, such a trend is already beginning to manifest itself in some places.

(continued from page 16)

established a dialogue with prominent leaders of the labor movement and officially recognized the Labor Congress of Thailand, the first broadly-based labor union federation.

In recent months there have been some signs of increased labor unrest. Labor leaders are anxious to resume effective collective bargaining with the right to strike and workers are frustrated by the impact of inflation on their real income. The Thai Government is concerned about these matters and is considering such measures as an adjustment in minimum wage rates, introduction of a social security system, and development of an incomes policy.

As the Thai Government continues to accelerate its spending for the Fourth Five-Year Plan (1977-81), potential sales opportunities for U.S. products and services, both in the public and private sectors, will increase. Major projects in the Plan call for expenditures in excess of $9 billion. Foremost among these projects are the natural gas pipeline (Thailand's no. 1 priority), communications, electrical power generation, transmission and distribution, bridge and highway construction, rapid transit systems, a deep-sea port and airport development. In the private sector, some $1.3 billion in 26 projects is planned. Some of these projects are new, while others entail major expansions of existing production facilities in the cement, steel, tin smelting, pulp and paper, food processing and packaging, pharmaceuticals, and mining industries. Significant opportunities exist, not only for U.S. products but for engineering services as well.

Substantial sales opportunities continue to exist in agro-industries. In addition to the food processing industry, sales prospects are particularly attractive for U.S. exporters of agricultural machinery, agricultural chemicals, animal health products and feed additives, silos and bulk food storage facilities, grain milling equipment, quick freeze and cold storage equipment.

Expanding medical facilities in Thailand offer excellent sales opportunities for U.S. suppliers of sophisticated electromedical and surgical equipment as well as for a host of other medical and hospital equipment, supplies and apparatus. There are also expanding markets for materials handling equipment, printing and graphic arts, and automotive diagnostic and maintenance equipment. American exports to Thailand have steadily increased in recent years, and this trend is expected to continue. Nevertheless, because of Thailand's growth prospects and strong reserve position, it is becoming an increasingly competitive market. Both European and Asian competitors are notably stepping up their efforts. U.S. firms will find it necessary to compete more aggressively if they expect to maintain, if not increase, their shares of this growing market.

STRONG EXTERNAL DEMAND FOR PRIMARY COMMODITIES REINVIGORATES MALAYSIA

Following its strong recovery in 1976 the Malaysian economy made further gains in 1977. Inflation continues at a low rate and most indicators point to another good year for the economy in 1978, according to the U.S. Embassy in Kuala Lumpur, which adds that the only dim spot remains the low level of private sector investment.

Government projections indicate that GNP grew by 8 percent in real terms last year to $12,358 million, but the Embassy feels that when final figures are in growth will be revised upward to 10 percent. This impressive economic growth has led Malaysia to the point that per capita GNP is now near $1,000. This figure, coupled with the low inflation rate of 4.3 percent, illustrates the continued solid growth of the economy following its dramatic recovery in 1976.

As in 1976 the primary stimulus for growth remained strong external demand for Malaysia's primary commodities, with exports rising 13 percent in value to $6,152 million in 1977. Prices for tin, rubber, timber and especially oil palm remained high throughout the year with tin setting new price records on an almost daily basis which more than offset any decline in production.

High prices for its commodity exports and the 18 percent increase in the country's oil production to almost 200,000 bpd of high quality, light crude were responsible for Malaysia's $1,168 million trade surplus for 1977. This surplus aided the country in increasing its foreign exchange reserves to almost $3 billion, which is sufficient for a 7-month sustained import cover.

Cause for concern

The government remains concerned, however, with the continuing sluggishness of private sector investment. While private investment did increase 3 percent in real terms in 1976 and 8 percent in 1977 it is still running behind the 10 percent per annum goal of the Third Malaysia Plan for the 1976-80 period. The construction sector, including private housing, showed the highest rate of investment, 11.8 percent, for the year.

In an effort to stimulate private investment the Minister of Finance lowered the prime rate of interest from 8.5 to 7.5 percent at mid-year but it is still too early to comment on how effective this measure will be in increasing investment. The commercial banking sector had an average liquidity ratio of 40 percent during 1977, reflecting rising earnings and the sluggishness of the investment climate.

While the government points out, and validly, that private sector investment is down on a worldwide basis, many observers attribute the low rate of investment, particularly domestic, to the Industrial Coordination Act (ICA) which is the government's attempt to put "teeth" into its New Economic Policy (NEP). Briefly stated, the NEP is an effort designed to restructure Malaysian society and the economy to ensure a more proportionate ownership of, and benefit from, the economic resources of the country by all segments of Malaysian society. The stated objective of the policy is that by 1990, 30 percent of corporate shareholdings will be held by Bumiputras (who are predominantly Malay), 40 percent by other Malaysians and 30 percent by foreigners. (In 1970 the breakdown was roughly 3, 34 and 63 percent, respectively.) The policy also states that by 1990 employment at all levels and in all sectors of the economy will be proportionately representative of the population of the country. It is the government's stated intention to carry out this policy by increasing the overall size of the economy so that all groups will own larger absolute amounts of the economy by 1990 rather than to take from one group to give to another.

Reaction of investors

The ICA, through its licensing provisions, gives the Ministry of Trade and Industry the power to enforce this policy without providing investors any appeal mechanism. This point has worried both non-Malay Malaysians and foreign investors who fear they may be forced to give up part of their equity at less than favorable terms. Potential investors have also expressed concern that the Act allows for too much government control over what they consider to be basic business considerations (e.g., product mix) and could hamper the overall profitability of their operations. The real effects of the ICA will be impossible to measure, however, until more of the excess capacity in the manufacturing sector is used up and worldwide demand for Malaysia's products increases.

The commodity price outlook is good and further significant increases in oil production are scheduled to come on line in 1978. The government is making a conservative projection of a GNP growth rate of 7 percent for the year, which will be easily within its reach. One of the key indicators of the soundness of the Malaysian economy is the low rate of interest the government is able to obtain funds at internationally. The government has recently been borrowing funds at ⅞ of a percent over the London-InterBank-Offer-Rate and is presently negotiating the refinancing of some of its "expensive" 1⅜ percent loans to the dramatically low rate of ¾ percent. This points out the faith of the international financial community in the economy.

In order to keep economic momentum

going, the government announced a mildly expansionary budget in October. The budget is expected to give a moderate boost to consumer expenditures, and capital spending by the private sector may increase somewhat over the course of the next year. It is unlikely, however, that private investment will increase anywhere near the 10 percent forecast in the Third Malaysian Plan (1976-80). Given various difficulties which impede the government's ability to absorb substantial new expenditures, it is doubtful that the expanded budget will have any substantial effect on the sales of U.S. products until 1979. Within 18 months, however, the generous depreciation allowances for plant and equipment announced in the budget should have a major impact on the sale of capital goods, an area in which U.S. manufacturers are strongly competitive.

Second only to Japan

According to Malaysian Government forecasts, U.S. sales to Malaysia in 1977 increased by a substantial 23.7 percent over their levels in 1976 (from $500.6 million to $619.2 million). The U.S. market share declined, however, from 12.7 to 12.4 percent. Despite this modest decline, the United States retained its place as the second major supplier (after Japan) of goods to the Malaysian market. According to Malaysian Government estimates, 1978 looks even better than 1977. Imports from the United States are forecast to expand to $789.2 million (an increase over 1977 of 27.5 percent) and the U.S. market share to increase to 14 percent.

As the Third Plan nears the halfway mark, sales possibilities for American firms remain strong in the areas of highways and airports, power generation facilities, ports and harbors, and telecommunications. The Embassy recently completed a major review of sales prospects in the Malaysian market for U.S. goods and services, concluding that the best are in the areas of power generation equipment; laboratory instrumentation; building and construction supplies and equipment; business machines; metalworking equipment and pollution control equipment. Other equipment offering excellent sales prospects includes: water pollution control, communications, air-conditioning and refrigeration, petroleum production and timber processing.

Through 1976, American firms invested roughly $670 million in Malaysia, almost 60 percent in petroleum-related activities. The Reynolds International Corp., a subsidiary of Reynolds Mining, recently announced that it would build an aluminum processing plant in Bintulu (located in the East Malaysian State of Sarawak). Reynolds also announced that it would consider the possibility of building an aluminum smelter in the other East Malaysian State of Sabah. With the exception of the substantial amounts invested by Exxon in its drilling operations, this is the first major investment announced by any large multinational in Malaysia within the last two years and comes as a welcome relief to the Malaysian Government.

While Malaysian Government guidelines encourage the formation of joint ventures, under certain circumstances a foreign company engaged entirely in exports of manufactured goods from Malaysia can receive approval for 100 percent foreign ownership. In all cases involving new foreign investment, the Malaysian Government is prepared to take a flexible position with foreign investors within the overall boundaries of the New Economic Policy.

Many American firms have successfully entered the Malaysian market by means of licensing arrangements. Potential licensees should be aware, however, that the Malaysian Government carefully reviews these arrangements before they are allowed to go into effect.

The Malaysian Government will soon tender on a number of major projects of interest to American exporters. Many of these projects will require some sort of joint venture or technical collaboration arrangements with local Malaysian firms. Major untied Malaysian Government projects of particular interest to American firms include: Bintulu Port, Kenering and Bersin hydroelectric projects, Kenyir multipurpose dam (Trengganu hydroelectric development), Tenom-Pangi power project, Tawau port expansion, and Pahang cement plant.

The Embassy has prepared a number of separate reports on best prospects for U.S. exports and on the major projects mentioned above. Of particular interest are the following reports, all prepared in 1977: major export projects program (A-001), airport projects in the Third Malaysia Plan (A-005), telecommunications programs in the Third Malaysia Plan (A-16), port projects in the Third Malaysia Plan (A-21), major exports projects program —first quarter (A-32), Malaysia—major projects in 1977 (A-34), reporting World Bank major projects (A-38), major projects in Malaysia in 1978 (A-133).

These reports contain detailed information on various projects as well as names of the responsible Malaysian Government officials in charge of the projects. Copies of these and other reports prepared by the Embassy are available from the Department of Commerce.

Best guarantee of success

Successful exporters to the Malaysian market find that if they cannot set up their own office in-country, the best guarantee of success is a reputable and aggressive local agent. Ideally, the agent will know something about the product line before representing a firm. More importantly, he must be able to provide the all-important factor of after-sales service. American firms have often been accused (sometimes justifiably so) of viewing the Malaysian customer as a one-time sales prospect. Firms wishing to sell to Malaysia over the long term are well-advised to locate a reputable local agent. The Embassy and the Department of Commerce will be pleased to assist any American firm in locating such an agent.

ADB IN MALAYSIA—*The Asian Development Bank helped finance construction work at Malaysia's first deep-water seaport on its east coast, 16 miles north of Kuantan.*

BELGIAN BUSINESSES SEEN RESTOCKING WITH IMPORTS DURING RECOVERY PERIOD

Despite continued stagnation in the Belgian economy in early 1978, there are signs pointing to an upturn in the business cycle before the end of the year. The Belgian National Bank's (BNB) "synthetic indicator" (measuring business attitudes and expectations) has been rising since October, a phenomenon that normally presages a recovery phase in the economy, and inflation has eased. The U.S. Embassy in Brussels notes that improvement in business conditions would provide some attractive opportunities to American exporters as businesses restock.

Industrial production fell sharply last summer and has been stagnant since autumn at levels below those of 1976. Construction remains depressed. This includes residential construction, reflecting demographic changes, and non-residential construction, which has suffered from some shift in government spending away from large infrastructure projects, e.g., highways. Prospects in 1978 for the construction sector appear less bright than for the economy as a whole. Textile production fell 12.7 percent in 1977, and structural problems will inhibit real improvement for some time. In steel, production was off 7.3 percent in 1977 with, however, some upturn noticeable at the beginning of 1978. Production of base metals overall was down 2.3 percent last year, with an increase in production of nonferrous metals partially compensating for a greater decline in steel.

The chemical and rubber industry showed a 5.2 percent gain in production in 1977, while production in the metalworking sector slipped 0.2 percent. Both sectors would be responsive to an upswing in the business cycle. Significant gains were registered only by the petroleum refining industry, where output rose 20.4 percent in 1977. In other areas of the energy sector, coal production was off 6.7 percent while electrical output dropped 0.6 percent, mainly due to a decrease in export demand. Plant capacity continues underutilized at 72 percent, with the situation worse in southern Belgium, where many sectors such as steel have become outmoded, inefficient and unprofitable.

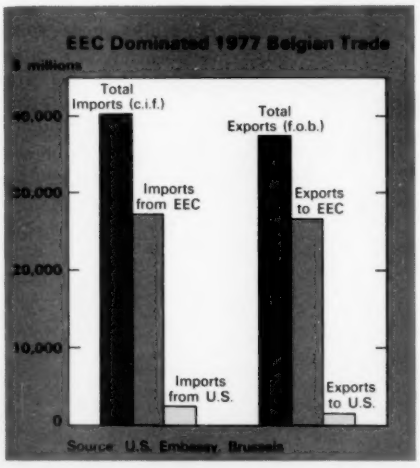
Unemployment has been rising since mid-1976 and constitutes a major problem. In January, always a month of high unemployment, the number of unemployed persons surpassed the psychologically significant 300,000 mark. The figure fell to 289,000 in March, representing 7.2 percent of the active civilian population. (The unemployment rate for men now stands at 4.5 percent while the rate for women is 12.1 percent.) The government hopes to place 40,000 to 50,000 persons in publicly funded, "socially useful" jobs by the end of 1978, although only 9,500 such jobs have been clearly identified to date. Even with the prospect of some real growth in 1978, unemployment will probably grow, possibly to 7.5-8 percent of the workforce by year-end.

Economic problems notwithstanding, personal incomes have been largely sustained by their tie to the consumer price index and by government transfer payments. Partially as a result, retail consumption has continued to rise—2.5 percent in real terms in 1977. Sales of foodstuffs at the retail level rose at a slightly higher rate than general retail sales, while clothing sales remained unchanged. The number of new automobiles put into circulation in Belgium in 1977, however, was 423,000, only a 1.9 percent increase over the number for 1976. This compares with annual increases of 15.3 percent in 1976 and 8.6 percent in 1975.

Most encouraging development

The most encouraging development in the Belgian economy is a steady fall in the rate of inflation. For the twelve months preceding February 1978, the consumer price index rose 5.4 percent. Principal factors in this decline have been an easing in food prices and certain key nonfood commodities, the latter particularly reflecting stable import prices derived in part from the relative strength of the Belgian franc. Wholesale prices for the last quarter of 1977 were 1 percent lower than for the corresponding period of 1976. The comparable change a year ago was a 6.7 percent rise in the index. Workers' salaries rose an average of 9.0 percent in 1977 compared with 10.4 percent in 1976.

Declining profitability and uncertain future prospects have led to a sharp drop in the pace of capital investment in Belgium over the past three years. This trend exists despite a generally recognized need to replace much Belgian plant and equipment dating back to pre- and early post-World War II investments. New investment is also slow in many more modern manufacturing sectors where capacity utilization is often low (stemming from overinvestment during the 1960's).



Local bank studies indicate that the average return on capital in 1976 was 5.5 percent. The investment ratio (total investments/gross national product) fell from around 22 percent in the early 1970's to about 20 percent in 1976/77. The ratio in the manufacturing and processing industries fell even more sharply, from 18.7 percent in the mid-1960's to 13.5 percent in 1976/77. Similarly, some banks project only 2 percent investment growth over the next five years. This projection gives little hope for a significant increase in corporate investments before the early 1980's; it also postulates that structural reforms for industry, particularly steel and textiles, are needed both to improve the social and economic climate and to stimulate increased investment.

Government leaders admit that 1977 and 1978 current national budget deficits are considerably greater than earlier forecast: 75.1 and at least 65 billion BF respectively (compared to 60.3 billion BF in 1976). With capital spending added, the national debt increased 167.4 billion BF in 1977, more than double the figure projected a year ago. Current-year budget forecasts are based on a quite optimistic real growth rate (3.4 percent)—and the government will have to exercise firm discipline over spending to avoid exceeding the current BF 65 billion-deficit projection.

Shift in emphasis

Current public expenditures have shifted since the beginning of this decade from economic activity and investment to social spending, particularly on unemployment. Most transfer payments are indexed so that transfer payments will rise 17 percent from 1977 to 1978 although overall public expenditures are slated to rise only 11 percent. The government believes an increase in taxes to reduce the deficit (as done last year) would be counter-productive under current economic conditions. Instead, emphasis will focus on combating tax evasion and on possible reform of the country's social security system. For the longer term, the government expects to announce soon a four-year program of reform to eliminate structural causes of the operating deficit.

Belgium's national debt as a percentage of GNP is one of the highest in the industrialized world. It is, however, mostly long-term and virtually all internal, and debt service has, so far, not posed major problems. If and when private sector demand for loans picks up, however, financing the government deficit without generating undue inflationary pressures could become more difficult.

Public investment, which is increasingly directed towards labor intensive public

BRUSSELS INTERNATIONAL TRADE MART—*This joint Belgian-American venture is the largest center for the exhibition of international products in Europe and can accommodate 1,000 permanent exhibits. It has helped enhance Belgium's role as a center for European commerce. The ornamental pool in front serves the dual purpose of a reservoir in case of fire.*

works projects, has remained at a high level and will continue to increase. The public sector has, for the past year and a half, been the major source of demand growth in Belgium. It will undoubtedly continue to play that role until private sector demand picks up. Government investment, however, is limited by the high operating deficit.

The continued stagnation notwithstanding, a recent BNB survey reports that more than half of Belgian business executives foresee some improvement in industrial capacity utilization in coming months. This preceded the recent decline of the dollar in Europe; it is not yet clear how much adverse effect this development has had on business confidence.

OECD figures indicate that Belgium lost a substantial share of its overseas market share in 1975, following that year's currency realignments, and has recovered only about half the ground lost to date. Because of this experience, and because of Belgium's great reliance on stable conditions for world trade and investment, much will depend on the international business climate, as determined by developments on the currency markets, in the Multilateral Trade Negotiations and elsewhere.

With some year-end economic pickup, the Belgian real GNP growth rate in 1978 could be in the range of 2.5 to 3 percent. Inflation should be in the 5.5-6.5 percent range. Exports are projected at about 8 percent higher than 1977 in terms of current BF, while imports could be 10 percent higher, allowing for industrial restocking which would undoubtedly accompany an upturn in the business cycle.

Institutionally, Belgium is moving over the longer term towards increased political and economic regionalization with greater autonomy for the Wallonia, Flanders and Brussels regions. The economic effects of regionalization are, as yet, unclear. Substantial uncertainty exists at this time as to how economic decision-making will evolve and what its possible effects could be on allocation of budgetary and other resources within the country. In principle, however, national policy in foreign and economic affairs as well as in the areas of public finance and monetary management will remain with central government authorities in Brussels.

The government also has been moving—probably unavoidably under the straitened economic circumstances—in the direction of increased intervention in the economy and greater spending on social benefits. The budget situation will, however, impose restraints in these areas.

In any event, a strong general recovery is still beyond the horizon. The relatively modest rate of growth projected for 1978 seems applicable to the longer term as well. Exports can be expected to follow the overall pattern of world trade, which is generally forecast at about half the growth level of the mid-sixties. A significant and sustained economic revival in Belgium is unlikely, at least until the early 1980's.

Belgium is a highly developed industrialized country with a greater impact on world trade than its physical size and population might suggest. Indeed, Belgium has the highest per capita volume of trade of any country in the world. It has long been an influence within the EEC and the OECD for free trade, an improved system of international payments, and practical steps to aid the economies of developing countries. Its progress in regaining a durable growth path internally without inflation will thus have significant implications for the future of general U.S.-Western Europe economic relations.

Belgium-Luxembourg Economic Union (BLEU) imports increased 5.4 percent in 1977 while exports increased 6.1 percent. Generally, exports of minerals and cut diamonds increased, but exports of metals and metal products declined 3.6 percent. On the import side, transportation equipment was up 8.3 percent while uncut diamonds were up 27.5 percent.

BLEU exports to the United States in 1977 rose 35 percent (in dollar terms) while imports from the United States rose only 12 percent. BLEU imports of machinery and equipment from the United States rose 17.0 percent in 1977; imports of chemicals rose 19.4 percent; diamond imports rose 44.1 percent; transportation equipment imports were up 29.5 percent; metals imports were up 7.3 percent; and plastics imports rose 7.4 percent. BLEU imports from the United States in two sectors fell in 1977: mineral imports were down 24.4 percent and textile imports fell 8.0 percent. In total, however, the BLEU trade deficit with the United States continued; the BLEU imported $856 million more last year than the $1,571 million it exported to the United States.

This difference is likely to widen in 1978. The devalued dollar will play a part in this, but the general deterioration of the BLEU trade balance, which would inevitably accompany a period of recovery, will also favor the United States.

Agricultural imports from the United States will likely reach record highs in 1978, with significant increases expected in BLEU imports of U.S. grains and preparations, soybeans and other oil bearing substances. Due to lower domestic demand, however, imports of leaf tobacco and cotton are expected to decline.

Imports of minerals from the United States, which declined in 1977, are expected to do better in 1978, as should semi-processed goods. The diamond trade has been doing very well lately in a highly speculative atmosphere, but the diamond business will probably fall off if the dollar firms.

As restructuring and modernization of Belgian industry starts moving apace in the coming years, there will be increased demand for sophisticated machine tools and plant equipment, fields in which the United States enjoys a good reputation. With labor costs in Belgium among the highest in the world, managers of expanding businesses will undoubtedly look to labor-saving machinery and devices for their new investments. There are already some signs of a reopening of the market for computers.

Public investment is expected to remain at a high level. The government is planning a massive expansion and modernization of the Port of Zeebrugge and construction of at least two new nuclear power plants. There is growing awareness

of environmental considerations and the market for pollution control equipment of all kinds looks promising.

Travel to the United States should also pick up significantly in 1978. Belgians are becoming more and more aware of how relatively inexpensive the United States is as a vacation destination, not only because of the devalued dollar, but because of new, low air fares. Sabena, the Belgian airline, has been granted a new direct route between Brussels and Atlanta, and is expected to add jumbo jets to its fleet to handle new trans-Atlantic traffic.

The first McDonald's in Belgium recently opened in downtown Brussels. Franchising is becoming more important as a marketing technique as Belgium is starting to catch up with its neighbors in this respect. There is also a growing recognition of U.S. competitiveness in consumer goods. One large department store recently successfully promoted a line of quality U.S.-made furniture, for example. The United States is clearly competitive in a wide range of consumer goods. What has been lacking up to now is an aggressive U.S. attempt to penetrate the market, admittedly not easy, but very definitely attractive.

When construction activity picks up in Belgium, U.S. exporters can look for attractive opportunities in the heating and air-conditioning fields.

The Belgian Secretary of State for Flemish Regional Economy and Budget, Mark Eyskens, recently returned from a visit to the United States voicing "modest optimism" about the prospects for continued U.S. investment in Belgium. American executives who met the Secretary during his visit, he said, had expressed concern over Belgium's indexation, taxation policies, and rigid labor laws.

U.S. investment in Belgium, amounting to an estimated $3.5 billion, comprises almost half of all foreign investment in the country. Recent foreign investment inflows, however, reflect diminished U.S. activity. The United States contributed 65 percent of investment flows into Belgium during the period 1959-68, but a declining percentage since then (i.e., 25 percent in 1975 and 17 percent in 1976). Despite the decline in new U.S. investment, reinvestment by the some 1,200 American companies in Belgium remains at a reasonably high level.

Concerned with the decline in the growth of foreign investment, the government has stressed the benefits to business of decisions it has made recently to reduce or eliminate certain investment taxes. One example is the 5 percent VAT on investment goods, which is now reduced to zero when the investment is either from a new investor, meets certain labor creating criteria, or exceeds a firm's past investment performance.

In the meantime, BLEU investments in the United States, now probably measuring more than $1 billion, have been growing steadily, both in real terms and as a percentage of overall EEC investments in the United States. New Belgian investors are now often medium-sized companies, a departure from the past when only the several large Belgian firms sought investment in the United States.

Although the State of Pennsylvania recently closed its European office, 12 U.S. states and eight U.S. ports maintain permanent offices in Brussels. These have clearly been responsive to the high degree of Belgian interest in trade with the U.S.

France To Host Exhibitions In Subcontracting, Anesthetics

Two foreign trade exhibitions coming up this fall in France may be of interest to selected U.S. firms.

MIDEST 78, an international exhibition for subcontracting companies, will take place at the exhibit hall in Toulouse Oct. 2-6. Held annually, this exhibition attracted some 1,360 participants and 13,792 visitors in 1977. (The 1977 exhibition was held in Strasbourg.)

Stands will be grouped according to the following categories: dentistry, metal products, wood, nuts and bolts, rubber, ceramics, boiler-making and sheet metal work, chemistry, electrical construction, electronics, mechanical engineering, screw-cutting, cutting, shaping, publishing, engineering, gears and transmissions, forging, casting, dyeing, precision engineering, high precision mechanics, mechanical welding, moulding, toolings, iron and steel, surfacing and coating, textile subcontracting, plastic transformation.

Interested U.S. firms contact: Mr. Detourbet, Commissaire General, MIDEST 78, B.P. 1593, 54027 NANCY CEDEX. Tel. (28) 51-09-01; telex FOIRNCY 960 596; and/or the U.S. representative, French trade shows, French Chamber of Commerce in the United States, 1350 Avenue of the Americas, New York, N.Y. 10019.

The 5th European Congress of Anesthesiology will take place at the International Center of Paris, Porte Maillot, Sept. 4-9. Like the previous Congress, held in 1974 in Madrid, an exhibit will be held jointly with the scientific conference. The 1974 Congress registered 70 exhibitors and some 2,500 visitors. Contact: Professeur Agr. P. Viars, Congres Anesthesie, P.M.V.-B.P. no. 246, 92205-Neuilly-sur-Seine, Paris.

Symposium Set For Brussels

The next International Conference on Electrical Machines will be held at the Congressenpaleis in Brussels Sept. 11-13. This symposium is held in Western Europe every two years. Interested firms contact W. Geysen, ICEM 1978, Kard. Mercierlaan, 94, B-3030 Leuven, Belgium.

New Yugoslav Law Broadens Areas Open To Joint Ventures

The new Yugoslav law on joint ventures implemented April 15 is in many respects more flexible and liberal than the previous 1973 law and subsequent 1976 regulation. Economic activities open to joint venture operations have been broadened and now exclude only insurance, commerce and public services.

The law mentions specifically joint ventures in the extraction of gas, oil and minerals. Although joint ventures in these activities were previously not expressly prohibited, only one joint venture, for oil exploration in the Adriatic, had been formed. Additional regulations will be published for joint ventures in banking.

As in the past the value of the foreign partner's investment has to be less than the investment of the domestic firm except in exceptional cases involving national interest. Previous limitations on the foreign partner's non-financial assets within his equity have been eliminated.

The foreign partner cannot have more than 50 percent of the seats of the joint business board. The board is authorized to make decisions in all matters not reserved for the Workers' Council.

In accordance with the Law on Foreign Exchange Transaction of March 1977 the foreign partner can transfer up to 50 percent of the export sales realized in convertible currency as part of his share of profits, and up to 100 percent of the foreign currency generated by export sales from the less developed regions. The foreign partner's profits can also be transferred by using dinars for the purchase of Yugoslav goods or services. In agriculture and mining, profits of the foreign partner can be paid and transferred in the form of agricultural or mineral products.

The new law sets a limit on the total compensation paid to the foreign partner. In determining this amount, joint venture partners are required to take into consideration the average rate of return to domestic firms or corresponding branches in Yugoslavia and abroad. Earnings above the ceiling can be repatriated at the cost of a corresponding reduction of the foreign partner's equity. The earnings can be reinvested but the reinvestment does not increase the foreign partner's share in the joint venture.

A major requirement is that the joint venture must increase production, promote exports and introduce modern technology and business practices. Before approval and registration by the Federal Committee of Energy and Industry, the partners have to obtain the opinions on the suitability of the joint venture of the respective republican and provincial authorities, the Yugoslav Chamber of Economy and the Federal Institute of Federal Planning. Firm dates are set for the rendering of opinions, approval and registration.

Costa Rica Tries To Adjust To Decline In Coffee Prices

As a result of declining coffee prices, 1978 is a year of adjustment for the Costa Rican economy, according to the U.S. Embassy in San Jose.

Although Costa Rica's export structure has been considerably diversified since the mid-60's, the expected decline in coffee export earnings will not be fully compensated by the performance of other exports. Thus, export earnings will tend to stagnate or decline, a trend that became obvious during the fourth quarter of 1977, when exports were approximately the same as those of the similar 1976 period. However, export earnings from other traditional products, particularly bananas, should serve to partially cushion the fall in coffee earnings. With the implementation of the International Sugar Agreement, sugar prices are projected to recover from the low levels prevailing in 1977 and sugar producers can look forward to a better year. Similarly, it appears that the bottom of the beef cycle was reached in 1977 and meat producers should enjoy an improved year as higher international beef prices are being forecast. The projected decline in cocoa exports and earnings reflects greater processing within the country and thus total export earnings derived from cocoa and its products will increase. Exports of manufactures and other non-traditional goods should continue their sustained growth and provide a countervailing force to the fall-off in coffee earnings.

Imports, on the other hand, reached record levels in 1977—particularly in the fourth quarter—that appear unsustainable in light of projected 1978 export earnings. Thus, an adjustment in the import bill is in order.

Expansive fiscal policies pursued during 1976 and 1977 have created considerable liquidity in the economy. While such government policies may have been appropriate on the upside of the coffee cycle and contributed to the vigorous expansion of the economy in those years, it is apparent that different policies are appropriate for the downside portion of the cycle. The election Feb. 5 of centrist Rodrigo Carazo to the presidency may result in the pursuit of more conservative fiscal policies to respond to this situation. The composition of the recently designated "economic team" of the new administration which took office May 8 is an indication that more cautious fiscal policies will be pursued.

Such policies, if adopted, will dampen aggregate domestic demand as well as import demand but not necessarily at the expense of sound domestic growth. Accordingly, overall growth in terms of real GDP will be about 5 percent in 1978 with a perceptible slowdown by year's end, due more to the probable decline in international coffee prices than to domestic policies.

The United States, traditionally Costa Rica's most important source of imported goods, in 1977 increased its share of the market to 34 percent. As total imports increased 31 percent, the value of U.S. exports to Costa Rica reached a record $341 million (estimated).

The growing importance of the industrial sector, particularly light manufacturing, makes Costa Rica an excellent market for capital equipment and industrial raw materials. The government will continue to be a good customer for goods related to infrastructure projects and social services, particularly in such areas as electrical power generation, communications and health care. While the majority of purchases for infrastructure type projects will continue to be financed by international lending institutions, individual ministries and autonomous institutions will look to supplier-arranged financing for projects not financed by international lending institutions. U.S. suppliers' success in winning such bids will depend on their ability to provide competitive financing packages.

Imports of consumer goods will continue to be affected by high taxes. Although the coffee boom stimulated a substantial influx of consumer goods imports in 1977, the projected decline in coffee earnings makes this an unpromising sales area for 1978.

Costa Rica continues to offer a favorable investment climate. From the viewpoint of the foreign investor, constitutional guarantees of equal treatment, enforced by an independent judiciary, are of particular importance. The government encourages foreign investment in projects considered beneficial to the country, and the incentives offered vary depending on such factors as use of local resources, employment created, export potential, and whether a similar industry already exists in Costa Rica or within the Central American Common Market. A highly educated and readily trainable labor force and a large hydroelectric potential are additional attractions to the potential investor. Earnings on approved and registered investments may be repatriated freely.

Potential investors interested in obtaining detailed information on investment incentives offered by the Costa Rican Government may write directly to: Export and Investment Promotion Center (CENPRO), P.O. Box 5418, San José, Costa Rica.

Calendar For World Traders

June 12-15—New York—Three American Management Associations briefings on Japan: Japan Update, How to Work in Japan, and Japanese Management Techniques You Can Use in the U.S. Information: John Cunningham, 212-586-8100.

June 12-16—Chicago—Four World Trade Institute events to be held at Executive House: Int'l Compensation and Related Personnel Practices; Int'l Cash Management; Relocating Employees Overseas; and Foreign Investment in U.S. Real Estate. Information: 212-466-7777.

June 14—New York—FCIB Book Exporters Credit Group meeting, Summit Hotel. Information: 212-725-1700.

June 14—Newark, N.J.—Seminar on Profit Opportunities Through Major Export Projects. Representatives from World Bank, Inter-American Development Bank, Export-Import Bank will attend. Newark District Office, 201-645-6214.

June 15—Newark, N.J. — FCIB Drug, Chemical & Food Export Club meeting, Howard Johnson's Hotel, Newark Airport. Call 212-725-1700.

June 19-20—Washington, D.C.—International Conference on Trade and Investment, "Balancing Economic Interests," sponsored by Sen. Adlai E. Stevenson and *National Journal*. Speakers include Ambassador Robert S. Strauss, Special Representative for Trade Negotiations; Wilhelm Haferkamp, Vice President, Commission of the European Communities; Nobuhiko Ushiba, Japan's Minister for External Economic Affairs; Frank A. Weil, Assistant Secretary of Commerce for Industry and Trade; and many other business and government leaders from the U.S., Europe and Japan. Information: Barbara Norris, 202-857-1400.

June 19-22—Houston—American Management Asssociations seminar on International Project Management, Marriott at the Astrodome. Call 212-586-8100.

June 20—New York—FCIB Hardware-Automotive & Allied Trade Groups meeting, Summit Hotel. Call 212-725-1700.

June 22—Somerville, N.J.—Seminar on Doing Business in the People's Republic of China. Will present speakers from National Council for U.S.-China Trade, Dept. of Commerce and private industry. Information: Newark District Office, 201-645-6214.

June 26-27—New York—World Trade Institute seminar on Inflation Accounting in the Multinational Company. Call 212-466-7777.

June 30—Buffalo—Conference on Improving Trade with Japan, State University of New York at Buffalo. Information: Buffalo Commerce District Office.

Worldwide Business Opportunities

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors abroad. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine.

The section that follows presents details about upcoming trade exhibits and trade missions, licensing and joint venture proposals, opportunities to sell to foreign enterprises, major construction and expansion projects, and visiting buyers.

U.S. Promotions Abroad

For more facts on these and other U.S. exhibitions write: Director, Office of International Marketing, Rm. 4015, U.S. Department of Commerce, Washington, D.C. 20230. For trade missions: Rm. 6051, U.S. Department of Commerce, Washington, D.C. 20230.

Forestry and Sawmill Equipment Exhibition. U.S. Trade Center, Mexico City. Aug. 1-3. To reduce the need for imports Mexico plans to invest $727 million in forestry and sawmill operations between now and 1982. A wide range of products will be promoted at this exhibition. Mary R. Wiening, 202-377-2313.

Fluid Power Exhibition. U.S. Trade Center, Taipei. Aug. 7-11. Taiwan's fast-growing economy and the parallel growth of wage rates have resulted in a demand for fluid power equipment, which is seen as a superior method for automating and improving quality control in a variety of manufacturing facilities. Imports account for 90 percent of the fluid power equipment marketed in Taiwan, and the U.S. has the largest share after Japan with sales of over $10 million in 1976. The Industrial Development Board is actively promoting the use of fluid power technology; as Taiwan becomes involved in the production of simple fluid power components, demand for more sophisticated U.S. equipment will grow rapidly. Call Robert Blake, 202-377-5401.

Scientific, Industrial and Medical Instrumentation Exhibition. Manila. Aug. 14-18. The Philippines imports most of the scientific, industrial analytical and medical instruments and related equipment it requires. In 1976, $13.7 million worth of scientific and industrial analytical instruments and $6.8 million worth of medical instruments and related equipment were imported into the Philippines. Imports of scientific and industrial analytical instruments are forecast to grow at a rate of about 15 percent, and imports of medical instruments by 5 percent per year through the early 1980s. The United States is the leading supplier of all types of instruments, and this trend is expected to continue in the face of strong competition from Japan, and to a lesser extent, West German and British instrument manufacturers. Presently, U.S. firms supply 35 percent of the scientific and industrial analytical instruments and almost 60 percent of the medical instruments and related equipment imported into the Philippines. Lars Lofas, 202-377-4227.

School Construction Equipment & Educational Training Aids Catalog Exhibition. Nigeria. August 14-25. The federal and state governments of Nigeria have allocated $5.3 billion for the improvement and expansion of educational facilities and programs during 1975-80. About half of the allocated funds will be used for the construction of approximately 900 new schools and universities. The other half will be spent on new educational equipment and techniques. The emphasis is on secondary education (43 percent), primary education (12 percent), and higher education (10 percent). Buildings to be constructed cover the entire range of educational facilities from classrooms and laboratories to dormitories and sports complexes. The best opportunities for U.S. suppliers of educational training aids are in the higher technology categories and at the higher educational levels. Catalog Exhibitions, 202-377-3973.

Petroleum Exploration and Extraction Equipment Trade Mission to Brazil and Argentina. Aug. 21-Sept. 1. Brazil and Argentina are strongly committed to the development of local petroleum production. Brazil's petroleum company, Petrobras, invested $860 million in 1977 on oil prospecting and extraction equipment alone. The Government of Brazil has recently authorized Petrobras to import equipment for use in the Campos Oil Basin. These import tax and license exemptions underline Brazil's high priority to oil exploration and extraction. Argentina plans to reach self-sufficiency in oil production by 1985. Therefore, the government and private companies in Argentina are planning to spend $80 million in 1978 and $100 million in 1979 on oil prospecting and extraction equipment. U.S. exports of this type of equipment to Argentina have increased from $6.3 million in 1972 to $12.8 million in 1976. Craig Atkins, 202-377-4756.

Leisuretime U.S.A. Exhibition. U.S. Trade Center, Tokyo. Aug. 28-Sept. 1. Japan, with a population of 113 million and a per capita GNP of $4,900, is the largest overseas U.S. market. Japan accounts for approximately 8 percent of total U.S. exports of leisuretime products included in this theme. Accelerating trends of a five-day workweek and increasing disposable income favor promotion of leisuretime goods. Theme products include: golf equipment, fishing rods, reels and tackles, hand-held power tools, tennis rackets and balls, snow and water skis, baseball, football, basketball, volleyball, ice hockey equipment, motion picture cameras, projectors and screens, musical instruments, and related others. Irwin D. Nathanson, 202-377-4390.

Chemical/Petrochemical Processing Machinery and Instrumentation. U.S. Trade Center, Mexico City. Aug. 29-Sept. 1. Mexico is currently carrying out plans to double crude oil production by 1982, and has earmarked $7.65 billion for the petrochemical industry. Purchases of machinery and instrumentation by Mexican chemical/petrochemical processors are forecast to grow at an annual rate of 24 percent during the next several years. Despite substantial growth in Mexican production of needed products, a greater share of demand will be met by imports, projected at $396 million annually by 1980. Call Thomas L. Thomas, 202-377-4463.

U.S. Exhibition at Selkhozteknika 1978. Moscow. Aug. 31-Sept. 14. The largest exhibition of agricultural machinery, equipment, instruments and technology to be held in the Soviet Union in 1978. The third international exhibition will focus on almost all areas of agri-business and affords American producers a genuine marketing opportunity. Bob Bradshaw, 202-377-5164.

General Industrial Equipment—U.S. Exhibition at the 34th International Trade Fair. Plovdiv. Sept. 3-10. Bulgaria has increasingly turned to the West for products and technology unavailable from communist markets, and, as a result, Bulgarian-U.S. trade has increased ten-fold in the past five years. Bulgaria stresses modernization and expansion of existing plants and equipment under its Seventh Five-Year Plan (1976-80). It is estimated that 55 percent of total capital investment of $30 billion will be expended for modernization and reconstruction programs, compared with 30 percent under the 1971-75 plan. Investment in machine-building and metalworking, chemicals and electronics, which comprise the main branches of the industrial sector, have highest priority for future development. Tony Bilecky, 202-377-3367.

Chemical/Petrochemical Processing and Equipment. Leipzig Fall Fair. Sept. 3-10. GDR government planners have placed special emphasis on the rapidly expanding chemical/petrochemical industries. The current five-year plan, 1976-80, calls for an increase in crude oil processing capacity from 17 million tons in 1976 to 23 million tons in 1980 and for the production of more chemical feedstocks. Annual production of plastics, especially low and high-density polyethylenes and polyurethanes, will reach 930,000 tons by 1980. The output of synthetic fibers is planned to hit 140,000 tons per year by the end of the plan. A new acrylic fiber plant is planned. The plan calls for increased production of nitrogen, phosphate, and calcium fertilizers. New chlorine plants are slated to supply domestic plastics and export markets. Production of pharmaceuticals is to rise by 65 percent. The outlook for other chemicals and downstream petrochemicals industries is also one of accelerated development. Reginald Beckham, 202-377-2801.

Plant Operations and Industrial Maintenance Equipment Exhibition. Seoul. Sept. 4-8. Korea's consumption of plant operations and industrial maintenance equipment is expected to reach $293 million in 1982, with imports providing two-thirds of the industry's needs. U.S. suppliers could easily capture at least one-fourth of this potential as import liberalization makes

purchases easier, and rising labor costs encourage automation. A significant demand exists for the following product lines: environmental controls, safety equipment, maintenance and materials handling equipment, power generation, and security systems. For further information call Fred Ott, 202-377-5895.

Plastics & Rubber Production Machinery & Materials Exhibition. Caracas. Sept. 4-9. The Venezuelan market for plastics and rubber production machinery, accessories and plastic materials is considered one of the best among developing nations. The United States is presently selling over 50 percent of the plastic raw materials and 35 percent of machinery needed by the Venezuelan plastic and rubber industries. The total market requirements for equipment in 1975 jumped 51 percent over 1974 and in 1976 increased 30 percent over 1975, and should continue at the same rate through 1980. To obtain a copy of the market research summary and registration forms for this financially rewarding exhibit, call Charles M. Cummings, 202-377-5812/2995.

International Security Equipment Fair. Essen, Germany. Sept. 11-15. The rising need for security and safety devices is mainly explained by the fact that terrorism in Europe has increased and police are no longer completely able to protect individuals or property. Protection by technical installations is one of the best means of crime prevention. In 1976 the German security equipment market totalled $1.2 billion, with the United States supplying about $60 million. By 1982, the market is projected to increase by 36 percent. The U.S. share, at that time, is predicted to reach $88 million. Contact Loretta Allison, 202-377-2905.

Food Processing and Packaging Equipment Exhibition. U.S. Trade Center, Sao Paulo. Sept. 11-15. Sales of food processing and packaging equipment in Brazil totaled $94.5 million in 1976 and imports amounted to more than $27 million. U.S. exports of food processing and packaging equipment to Brazil have been projected at a 20 percent level, but U.S. exporters face serious competition from European manufacturers. A few of the best prospects are crushing machines for cocoa beans and grain, presses for wine, milk homogenizers, ice cream making machines, refrigeration equipment, orange juice extractors, multipackers, thermoforing equipment, and shrink packaging equipment. A summary of the Commerce Department study of the Brazilian market for food processing and packaging equipment pinpoints additional high potential sales items. A copy of the summary is available from G. Lincoln McCurdy, 202-377-5427.

Computech '78 — Computer Hardware/Software/Technology Exhibition. U.S. Trade Center, Taipei. Sept. 11-15. The market for EDP equipment and systems expanded by 19 percent between 1976 and 1977, and is expected to increase to US$78.8 million in 1981, representing an average annual growth rate of 21 percent over the next four years. Imports supply virtually 98 percent of this need, with U.S. firms enjoying an estimated 70 percent market share in 1977; this share is expected to hold steady through 1981. Present EDP population is believed to be about 100 large/medium/small frames (capacity near 10,500 kilo bits) operated primarily by the government, in addition to over 200 mini-computers and microprocessors. U.S. peripherals producers should be alert to take advantage of the expected doubling of sales in this field by 1981 from the US$9 million in 1977. Exceptional opportunities exist for sales of Chinese mandarin character I/O devices and other interface units, as well as for pre-packaged software programs designed to permit owners of EDP equipment to achieve greater flexibility and increased utilization of present hardware. Dave Horridge, 202-377-4961 or 5401.

Arctic Oil Seminar Exhibit. U.S. Commercial Office, Moscow. Sept. 11-15. The U.S. Commercial Office in Moscow is working closely with the Soviet Ministry of Oil. Call Jim Robb, 202-377-4810.

Australia's International Engineering Exhibition. Sydney. Sept. 11-16. Under the aegis of the U.S. International Marketing Center in Sydney, the American Pavilion in AIEE will feature 5 product categories: CAD/CAM equipment, machine tools and metalworking equipment, process control instruments, pumps, valves and compressors, and industrial hand power tools. AIEE, "engineered to sell," is the largest event of its kind in the Southern Hemisphere and draws exhibitors and visitors from around the globe. Robert McLaughlin, 202-377-4957.

Process Controls Catalog Exhibition at "ILMAC '78." Basel. Sept. 12-16. Increased emphasis on modernization and automation in Switzerland has created a market for process controls estimated at $270-$300 million per year. The U.S. share of this market is approximately $50-$60 million. Sales of process controls are expected to grow 3-6 percent annually as the Swiss economy continues to improve. Electronic process controls have the best sales potential. Major investments are planned in: automatic process control systems, related data acquisition instruments and transmission devices, advanced instruments and components, and indicating, recording, and monitoring devices. U.S. suppliers of process controls should find an interesting and sophisticated market for their products in Switzerland. Catalog Exhibitions, 202-377-3973.

Advanced Medical, Surgical and Dental Equipment—Brno International Engineering Fair. Sept. 13-21. Czechoslovakia plans to upgrade the level of medical services to its general population through 1980. Advanced medical research equipment, examination and diagnostic instruments, blood and organ analysis instruments, sophisticated surgical equipment, advanced life support systems, and radiological diagnostic and treatment equipment all have potential. Telephone Tony Bilecky, 202-377-3376.

Communications Systems and Equipment Technical Sales Seminar. Poland, Hungary, and Yugoslavia. Sept. 18-30. These countries have indicated continuing intensive programs for modernizing and expanding communications networks and manufacturing capabilities for equipment. Advanced technology, including equipment and systems, must be imported from the West if plans for these programs are to be met. Telephone exchange equipment, microwave transmission equipment and advanced cable making technologies based on fully automated production lines are expected to be among items imported. Dick Bell, 202-377-5163.

Textile Machinery and Equipment Exhibition. U.S. Trade Center, Mexico City. Sept. 19-22. The Mexican demand for textile machinery will rise from $86.7 million in 1977 to an estimated $155.9 million in 1982. There is no domestic production of textile machinery in Mexico. U.S. manufacturers currently supply 16.9 percent of Mexican imports. The competitiveness of U.S. equipment prices, previously heavily drubbed by the Peso devaluation, has recuperated sufficiently through the recent revaluation of the major competitive currencies. Equipment most in demand by Mexico's textile industry includes ring-type spinning and twisting machinery, stretch-break equipment, high-pressure yarn dyers, spoolers, sizing machinery, non-rapier looms, sweater strip machinery, continuous bleaching equipment, jet dryers, nappers, fiber lockers, fabric and yarn washing, roller-cutters and jacquard knitting machinery. Call Hans J. Amrhein, 202-377-2332/2995.

Health Care and Medical Equipment Catalog Exhibition. Vienna, at "Krankenhaus '78." Sept. 19-22. Austria is almost completely dependent upon imports for its biomedical equipment. Imports of this equipment nearly doubled between 1973 and 1975, rising from $19 million to over $36 million. The U.S. share of the market rose from $1 million to $3 million during the same period. In 1977, the ministry responsible for Austria's national health plan had an estimated budget of $109 million, which provides for the establishment of new and the reorganization of existing health care facilities. The responsible buying authorities intend to purchase the most up-to-date equipment for installation in the new hospitals. This should increase the demand for sophisticated equipment from U.S. suppliers. Catalog Exhibitions, 202-377-3973.

Aquatech '78—Water Technology Equipment. Amsterdam. Sept. 19-23. Recently completed market research indicates that the Netherlands is an excellent market for American water technology equipment. Dutch expenditures on this equipment reached $60 million in 1977 and are forecast to surpass $100 million in 1981. Imports in 1977 were estimated at $16.5 million, up from $11.5 million in 1975. Continued growth is anticipated, with imports valued at $27 million forecast for 1981. Imports from the United States represented 17 percent ($2.8 million) of the Netherlands' total imports of these products in 1977. With sales of American equipment to the Netherlands projected to be $4.6 million in 1981, this is a must exhibition for growth-oriented U.S. manufacturers and distributors. For further information contact Helen Burroughs, 202-377-4941.

Business and Office Equipment and Systems Exhibition. U.S. Trade Center, Milan. Sept. 24-29. Will be held at same time as SMAU, Italian Business and Office Equipment Trade Fair. Exhibitors in the Trade Center Exhibition will capitalize on the estimated attendance of 30,000 trade visitors at the SMAU event on the adjacent Milan Fairgrounds. The Italian market for business and office equipment is projected to grow from $304 million in 1977 to over $500 million in 1982, an annual growth rate of some 11 percent. The U.S. exhibit will feature all types of business equipment, including electronic calculators, copying and duplicating equipment, electronic accounting machines, micro and mini-computers, microfilm equipment, paper handling equipment, bank proof and encoding machines, letter handling and mailing machines, and word processing systems, all of which have been identified

as having high sales potential in Italy. Marcia Griffin, 202-377-4975.

Building Products, Materials, Systems and Equipment Exhibition. U.S. Trade Center, Tokyo. Sept. 25-29. Building and construction products in Japan in 1976 represented a $37 billion market. The forecast for 1980 is $54 billion. Imports for 1980 are expected to reach $1 billion, of which the U.S. share is estimated at over $300 million or about 30 percent. New construction for 1976 was 2.3 million units valued at $79 billion, and is expected to increase to 3.1 million units at an estimated value of $110 billion by 1980. Market summary and basic research available. Robert Levine, 202-377-4379.

Materials Handling Specialized Trade Mission to Malaysia and Thailand. Sept. 25-30. During the three-year period 1979-81 combined purchases of materials handling equipment by public and private sectors in Malaysia and Thailand are expected to total at least $210 million. In Malaysia, the economy has made impressive gains over the past few years and planned expansions of the ports and airfields augur well for U.S. sales of materials handling equipment. Thailand's Fourth Five-Year Plan, 1977-81, projects a growth rate of 7 percent annually and requires a total investment of about $31 billion. Major project plans in that country envision ambitious development of basic facilities to process raw materials. This will not only require extensive use of materials handling in itself, but will generate expanded port and transportation facilities. Imports will have to satisfy about 95 percent of demand in both countries. Call Craig Atkins, 202-377-4756.

Hotel, Restaurant and Institutional Food Catering Equipment Specialized Trade Mission to Brisbane, Sydney and Melbourne. October. The market for restaurant, hotel and fast food equipment in Australia is active and rapidly growing. This growth is based in part on stricter state health department regulations regarding cleanliness of food service operations, and a growing trend of Australians to eat more meals outside of the home. Queensland is the traditional internal vacation destination for Australian tourists, and expected reductions in international air fares are expected to substantially increase tourism. The Commonwealth Games scheduled for 1982 in Brisbane will generate an influx of spectators and athletes. Approximately $100 million of tourist accommodations and recreation areas are being planned throughout Queensland in the next few years. The following products are considered to have excellent sales appeal: thawing and heating equipment, commercial microwave equipment, food and beverage vending equipment, refrigerated vending machines, customer-operated microwave warming equipment, food storage equipment, automatic food mixing and blending machines and other food service equipment for large hotels, institutions, hospitals and cafeterias. Contact Robert J. Bucalo, 202-377-3741.

Chemical/Petrochemical Processing Equipment Catalog Exhibition. Antwerp and Brussels. October. In 1976 the United States supplied 50 percent of equipment used by the Belgian chemical and petrochemical industry. Slightly less than $279 million is projected for investment in the Belgian chemical sector in 1978. Sales increases of about 10 percent annually in this sector are predicted for the next five years. Belgian exports of chemical and petrochemical products totaled $4,400 million in 1975, and domestic sales totaled $1,107 million. The best short-term prospects for increased U.S. exports are in the area of maintenance equipment and replacements for pumps, valves, fittings, measuring and control devices. For further information call Catalog Exhibitions, 202-377-3973.

Meat and Dairy Processing and Packaging Equipment and Technology Technical Sales Seminar. Poland, Bulgaria, Yugoslavia, Hungary. Oct. 2-17. These four countries are planning significant growth in meat and dairy production in order to fulfill increasing consumer demands and meet export expansion commitments. New western technology and equipment to make the meat and dairy production more efficient is mandatory if they are to meet their objectives. Officials from these countries have expressed specific interest in breeding technology, deboning, waste disposal and reprocessing, canning and labeling equipment and technology, equipment and technology for egg processing, feed mold inhibitors, protein recovery systems and broiler production, dairy packaging, sterilization and milking equipment and technology, enzyme, hard cheese, rennett and butter production technology and ice cream and yogurt production equipment and technology. Call Nancy Rinehart, 202-377-2801.

Nuclear Industry Exhibition, NUCLEX 78. Basel, Switzerland. Oct. 3-7. Held every 3 years, NUCLEX is a prestigious international event in which the majority of the significant suppliers of nuclear equipment and services throughout the world participate. It attracts more than 12,000 professional and trade visitors from all European countries and from most countries outside Europe. Encompasses all nuclear related equipment, including instrumentation for research and operations, reactors and power generating equipment and hardware of all types, waste solidification and water and air treatment, process controls and automation equipment, fuels and materials, computers for nuclear applications, and all services concerned with nuclear planning, siting, construction, transportation and monitoring. George Ruffner, 202-377-4384.

Bucharest International Fair—Industrial Electronics and Instrumentation. Oct. 5-14. Romania's premier international trade fair will provide U.S. manufacturers of industrial electronics and instrumentation an opportunity to penetrate or expand in a growing market. The Romanians are planning to invest between 920 and 960 billion lei ($76.6-80.0 billion) in the national economy from 1976 to 1980, with two-thirds assigned to industry. Machinebuilding is designated as one of the most important industrial branches. Within the machine-building industry, the share of output of electrical engineering and the electronics industry is expected to reach over 20 percent by 1980. These goals, together with commitments to further expand U.S.-Romanian trade, made during the fourth session of the Joint American-Romanian Economic Commission in November 1977, add up to a bright outlook for sales of American industrial electronics and instruments. Mike Frisby, 202-377-5186.

Business Equipment and Systems Catalog Exhibition at "Efficiency Beurs." Amsterdam. Oct. 10-18. Total business equipment imports into the Netherlands were $179 million in 1974, and are expected to increase at an average rate of 9 percent annually to exceed $280 million in 1979. The U.S. supplied over 12 percent of this market and should continue to do so through 1979. Dutch business requirements are largely satisfied by imports; domestic production is mostly designated for export. The Netherlands also serves as a major trading and shipping post and reexports large quantities of business equipment. "Efficiency Beurs" is a major European biennial exhibition of office and electronic data processing equipment, which in 1976 attracted more than 100,000 people. Best prospects include electronic accounting and banking machines, calculators, automatic typewriters and microfilm equipment. Catalog Exhibitions, 202-377-3973.

Nauka '78. Exhibition for Scientific and Laboratory Instruments. Moscow. Oct. 12-23. The $390 million USSR market for scientific and laboratory instruments is expected to grow 6 percent in 1978. Soviet purchasing authorities have specific interest in cryogenic devices and instruments for physical-chemical research. Dick Bell, 202-377-5163.

Lasers and Electro-Optical Equipment Exhibition. U.S. Trade Center, Tokyo. Oct. 23-27. Statistics obtained through various trade sources show that the Japanese market for lasers, electron microscopes, stereoscopic microscopes and analytical instruments expanded from $97 million in 1975 to $168 million in 1977. The average annual rate of growth over the two-year period 1975-77 was 25.5 percent on a Japanese yen basis. By 1982, the market is projected to reach $270 million, based on a 10 percent annual growth rate from 1977. Mara Yachnin, 202-377-4383.

Plastics Seminar/Exhibit. U.S. Commercial Office, Moscow, Oct. 23-27, and Leningrad, Oct. 30-Nov. 3. The current Soviet Five-Year Plan calls for increased use of plastics to raise quality of production and meet increasing consumer demand. Call Jim Robb, 202-377-4810.

Cargo Handling Seminar Mission to Morocco, Algeria, and Tunisia. Oct. 23-Nov. 4. Rapid rates of economic development in these North African countries are stimulating strong demand for improved cargo handling facilities. Algeria is embarking on an ambitious program of expanding and modernizing its ports; Morocco is turning increasingly to containerization; and Tunisia is allocating $90 million of its new Five-Year Plan to port enlargement. Container handling, intermodal freight transfers, and quick loading and unloading techniques are the subjects of greatest interest in these countries. To broaden impact of this seminar mission, industrial material handling equipment will be included in the seminar theme. Call Geoffrey Walser, 202-377-2973.

Electronic Components and Assemblies Catalog Exhibition at "Fiarex '78". Amsterdam. Oct. 30-Nov. 2. In 1976, Dutch manufacturers of electronic equipment spent $627 million on electronic components and assemblies—a dramatic 30 percent annual growth in expenditures since 1973. Dutch imports of electronic components and assemblies have been substantial and have supplied a large portion of domestic needs and also provided stock for export to other European countries. By 1980, Dutch firms are expected to import over $1.1 billion of this equipment. American component manufacturers are expected to gain an increased share of this growing import market. Catalog Exhibitions, 202-377-3973.

Pollution Control Equipment and Instru-

ments—Antinquinamento 78, International Pollution Control Fair. Milan Fairgrounds. Oct. 31-Nov. 4. Antinquinamento is a biennial fair which attracts a truly international audience. The 1976 fair drew over 15,000 visitors from 42 countries. The Italian market for pollution control equipment and instrumentation is projected to increase by 55 percent through 1982. Contact Bill McClure, 202-377-4605.

Electronic Production and Test Equipment Exhibition. U.S. Trade Center, Sao Paulo. Nov. 6-10. The growing importance of Brazil's electronics industry is creating a strong rise in demand for equipment and special materials for electronic components production. Continuing demand for electronic consumer products and government efforts to stimulate domestic components production should raise sales to over $57 million in 1980. American suppliers are expected to make new inroads, increasing their import market share to 40 percent in 1980, as imports of test instrumentation and special materials for electronic components advance. Domestic production of equipment and materials in Brazil is forecast to expand rapidly; however, local producers are not expected to keep pace with demand. Imports, which reached $25 million in 1976, are expected to rise to $45 million in 1980. Sales of U.S.-origin equipment are forecast to reach $18 million a year by the end of the decade. Annette V. Napper, 202-377-5427.

Energy Systems Exhibition and Seminar. U.S. International Marketing Center, Singapore. Nov. 6-10. A rapidly growing and profitable market in South Asia exists for U.S. exporters of solar and conventional power generating, transmission, distribution and control equipment. During 1976, U.S. firms sold more than $120 million worth of energy systems equipment in this market. Sales of high quality and competitive U.S. equipment can be expected to exceed the projected aggregate 10-15 percent annual growth rate. Regional energy systems imports are expected to exceed $900 million annually by 1982. As the gateway to Thailand, Malaysia, Indonesia and Southeast Asia, Singapore is the principle marketing, distribution and financial center of an area supporting a population of 190 million, with a combined GNP of $55 billion. Contact Bill Brekke, 202-377-3983.

U.S. Hospital & Medical Equipment Catalog Exhibition. Thailand, Singapore. Nov. 6-11. The total market for hospital and medical equipment in Thailand was estimated at $23.5 million in 1977. This market is supplied almost completely by imports. There are 19 projects remaining under the 1977-81 Thai public health plan that will cost more than $943 million. The modernization of Singapore's hospital and medical facilities that began in 1972 is expected to continue until 1982. During the next five years, the medical equipment market is projected to rise as two major hospital construction projects are completed. Annual purchases should increase to $6.4 million annually by 1979. Two other hospital projects are planned in the early 1980's that should keep up the demand for medical equipment. Best prospects for U.S. sales in these markets will be in sophisticated and specialized medical equipment. Catalog Exhibitions, 202-377-3973.

Quality Control & Materials Test Instruments & Equipment. U.S. Trade Center, Mexico City. Nov. 7-10. Mexico imports most of the quality control & test instruments and related equipment it needs. In 1976, over $36 million worth of instruments were imported, with the United States the leading supplier, accounting for 72 percent of all quality control & materials test instruments. Purchases are forecast to grow at an annual rate of about 16 percent during the next several years. Due to the lack of quality control in Mexican industry and the continual need for higher quality Mexican products, this is the Mexican industry's area of greatest interest and need. Contact Country Marketing Manager—Mexico, 202-377-4463.

Electronica '78. Munich Fairgrounds. Nov. 9-15. This international trade fair for electronic components and assemblies, held every two years, is considered to be the world's largest and most important event in the field of electronics. The German market alone for electronic components is forecast to reach nearly $3 billion in 1980. Sales reached an impressive $2.2 billion in 1976 and are predicted to grow an average 7 percent annually through the remainder of the decade. U.S. manufacturers account for the largest share of the import market, supplying about 20 percent of imported components. Don Schmadel, 202-377-2920.

Paris Air Show

The U.S. Department of Commerce will again sponsor a U.S. Pavilion at the 33rd Paris Air Show—le Salon International de l'Aeronautique et de l'Espace—June 9-17, 1979, at le Bourget Airport, Paris. The Paris Air Show is internationally accepted as the most prestigious event for the international aerospace industry. The 1977 show drew visitors from 108 countries, with total attendance of nearly 470,000, of which approximately 86,000 were trade visitors.

For information contact: H. L. Kirchschlager, U.S. Department of Commerce, Office of International Marketing, Room 6318, Washington, D.C. 20230; tel. 202-377-4104.

Computers and Related Equipment Exhibition. U.S. Trade Center, Tokyo. Nov. 13-17. U.S. manufacturers of computers and related equipment are invited to participate on a first-come first-served basis. The Japanese market for this equipment is forecast to expand at an average annual rate of 13 percent from $2.8 billion in 1977 to $5 billion in 1982. In 1977 the U.S. share of Japanese imports was $269 million. By 1982 it is expected to reach $500 million or 59 percent of all computers and related equipment imported by Japan in that year. The product theme for the exhibition includes general purpose mainframes plus compatible CPU's, mini-computers, microcomputers, memory and solid state subsystems, input-output equipment, special purpose terminals, data communication/data entry equipment, parts and accessories, services and software, DBMS, IMS and other applications. Robert Levine, 202-377-4379.

Telecommunications Equipment and Systems Exhibition. U.S. International Marketing Center, Sydney. Nov. 13-17. The initial exhibition of this equipment, held in April 1976, resulted in projected sales of $11 million—a successful show of confidence in U.S. products. Sizable government purchases pushed the Australian market for communications equipment forward at an average annual rate of 25 percent between 1972 and 1974, reaching $311 million in the latter year. Purchases fell slightly in 1975, but continuing automation of the national telecommunications network and rising government data transmission requirements are factors that indicate a projected annual market growth of 9 percent for the remainder of this decade. Total 1980 sales are expected to approach $470 million. For further information call 202-377-4957.

Communications Equipment and Systems Trade Mission to India and Pakistan. Nov. 13-30. The Government of India plans to invest approximately $2 billion to modernize the communications network in the country. India expects to import communications equipment and systems valued at about $367 million during the 1978-80 period, compared to $106 million of imports in the prior three years. Some 80 percent of the equipment to be imported by India in the next three or four years is in the new technology area and is primarily produced by U.S. companies. Pakistan's imports of commercial, industrial and public service telecommunication equipment including radio, television, and military communication equipment are estimated at between $250 million and $300 million during the period FY 1978-80. American exporters may secure a one-third share of this expanding market as U.S. equipment enjoys a high consumer preference because of advanced technology, better quality and competitive prices. The expanding Indian and Pakistani markets for communication equipment will provide excellent sales and joint venture opportunities for U.S. suppliers. Geoffrey Walser, 202-377-2973/4.

Food Processing Seminar Exhibit. U.S. Commercial Office, Moscow, Nov. 27-Dec. 1, and Kiev, Dec. 4-8. The U.S. Commercial Office is working closely with the Soviet and Ukrainian ministries in charge of food processing; the Ukrainian Ministries of Meat and Dairy and Food Industry have given the Commercial Office a list of equipment and processes that they want to have promoted at this event, the first to be held in the breadbasket of the Soviet Union. Jim Robb, 202-377-4810.

Printing and Graphic Arts Equipment Exhibition. U.S. Trade Center, Taipei. Dec. 4-8. The market for graphic industries equipment in Taiwan is expected to increase from $13.1 million in 1977 to $14.6 million in 1981. A considerable portion of the demand for this type of equipment is met by imports, which are projected to increase from $11.3 million in 1977 to $12.9 million in 1981. Contact Joseph Burke, 202-377-2087 or 5401.

PAK-TEK '78—Packaging and Printing Machinery, Equipment and Supplies. Copenhagen. Dec. 5-9. The Scandinavian market for packaging machinery and related printing equipment and supplies is projected to grow rapidly during the next several years. The use of packaging in Denmark, Sweden, Norway and Finland is as highly developed as it is in the United States. By 1981 the market for packaging machinery in Sweden and Denmark alone is expected to reach $80 million. The food processing and beverage industries in these countries continue to modernize and employ advanced techniques to reduce loss and spoilage, improve efficiency, and mini-

mize the impact of rising labor costs. The packaging of non-food products such as cosmetics and household items is also a growth area, providing opportunities for suppliers of packaging machinery and related equipment. The PAK-TEK Exhibition is held once every three years. It attracts an audience from throughout Scandinavia interested in seeing what new developments have taken place in the packaging industry. PAK-TEK '75, drew 10,705 registered buyers to see the 300 exhibitors from 19 countries. PAK-TEK '78 will be even larger. For the first time, the U.S. Department of Commerce will sponsor a U.S. pavilion at PAK-TEK. It will be promoted to a select group of buyers, agents and distributors. William Beiring, 202-377-3276.

Metrology and Light Machine Tool Exhibition. U.S. Trade Center, Sao Paulo. Jan. 15-19. The Brazilian market for metalworking equipment amounted to almost $610 million in 1977 and is expected to total over $815 million in 1982. Imports registered $290 million in 1977 and are forecast at $372 million in 1982. Best prospects include: roundness measuring instruments, coordinate measuring and layout machines, surface finish measuring, recording and testing equipment, gear and hob checking equipment, special dies, a broad range of machine tools, special metalworking equipment, molding and continuous casting equipment, and heavy-duty cutting, grinding and drilling power tools. For further information contact Beryl Cohen, 202-377-5427.

Hospital and Medical Equipment Catalog Exhibition. India (four cities). Jan. 15-31. A dramatic improvement in India's foreign exchange position has allowed restrictions on the imports of hospital and medical equipment to be lifted. This equipment may now be imported freely within specified limits. Imports of medical equipment were $9.3 million in 1975 and are expected to increase to $13 million this year. It is anticipated that they will rise at least 10 percent annually for the next few years. Due to end-user preference for American equipment, U.S. firms should be able to retain their 30 percent share of this import market. U.S. medical equipment is very popular in India, because of its technological advantages, durability, and performance. There is a good potential for sales of equipment which involve the latest technology and procedures. For further information call Catalog Exhibitions, 202-377-3973.

Computers and Peripheral Equipment Exhibition. U.S. Trade Center, Sao Paulo. Feb. 12-16. The Brazilian market for computers and peripheral equipment was estimated at $55.7 million in 1977. Imports accounted for over 80 percent of this market, or $45.3 million. U.S.-origin CPE represented an estimated 71 percent of total CPE imports in 1977, up significantly from the 53 percent registered in 1975. The equipment which offers the best prospects for U.S. exporters over the 1978-82 period is small, medium and, particularly, large computers; auxiliary memories; LSI technology; mass-storage systems; OCR, MICR equipment; both impact and non-impact printers; peripheral controllers and interfaces; and acoustic coupers. A copy of the U.S. Commerce Department study of the Brazilian market for computers and peripheral equipment is available by calling G. Lincoln McCurdy, 202-377-5427.

Licensing, Investment Abroad

BRAZIL — Manufacturer of **educational systems for physics, chemistry, biology and electronics** seeks joint venture or licensing arrangement to **make new products in its present line of activities.** Company, established 1971, is headquartered in Sao Jose dos Campos, city of 300,000, 60 miles from Sao Paulo. Additional information available from Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78421. OPIC.

SPAIN—Firm desires contact with any U.S. company interested in **manufacturing.** Wants to form joint venture whereby it would provide plant site and/or plant building in various locations within radius of 20-30 km. from Madrid. U.S. firm would provide machinery, equipment, know-how, etc. Company purchases and sells real estate, mainly industrial sites. Established 1972, firm had sales in 1976 of about $3 million. Amos Luis De Samaniego, Dir. Gen., Campel S.A., Segre 27, Madrid 2. P-78431.

UNITED KINGDOM—Multi-million dollar company with worldwide group interests including **engineering, effluent treatment, sugar refining, agribusiness, distribution seeks new projects** as part of its diversification program. Desires joint ventures with U.S. companies. Firm can provide finance, distribution network, production planning and control and marketing with established contacts in EEC countries and Middle East. Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78433.

0100, 0200, 2510—NIGERIA—Firm seeks U.S. partner for **agribusiness development or furniture manufacturing.** Firm claims to have considerable land in Imo State to contribute to venture. Principal of company has engineering degree from an American university. Dr. Otuokere Njaka, Mng. Dir., Opun International Co. (Nigeria) Ltd., P.M.B. 2, Akokwa, Imo State. P-78434. OPIC.

0212 — NIGERIA — Prominent Kaduna businessman desires contact with firms interested in joint venture or management agreement to develop his 5,000 acre **cattle ranch.** Presently has 200 head of cattle; wants to expand herd and raise other livestock such as sheep and poultry. Plans to visit U.S. for discussions with those expressing interest in his proposal. D. H. Abdul, P.O. Box 1552, Kaduna. P-78422. OPIC.

0251—NIGERIA—Company planning to start **poultry operation.** Seeks knowledgeable American individual or company as management personnel. S. A. Onasaya, West African Marketing Agencies, Ltd., 3B Offin Road, P.O. Box 6213, Lagos. P-78435. OPIC.

0251—NIGERIA—Entrepreneur interested in joint venture to operate **integrated poultry operation.** E. J. Ukpo, Mng. Dir., Idito Fisher Nigeria Ltd., P.M.B 3046, Surulere, Lagos P-78436. OPIC.

1500, 1600, 1700—NIGERIA—Number of reliable **construction companies** seeking contacts with U.S. firms to form venture arrangements, sub-contract to U.S. firms, or make American contractor member of consortium. For additional information, contact: Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78423. OPIC.

2000 — CANADA — Subsidiary of well-known U.S. cosmetics and specialty products firm is interested in utilizing excess capacity. It will consider licensing arrangements for **any products to be hot-filled into glass containers.** K. W. Baker, Chesebrough-Pond's (Canada) Ltd., Specialty Products Div., 1500 Bullock Dr., Markham, Ontario L3P 1W3. Telephone: 416-294-9700; telex, 06-217894 VASOPONDS MKHM. P-78424.

2033—SAUDI ARABIA—Firm seeks joint venture arrangement to produce **fruit drinks.** Currently operates water purification plant. Is owned by well-established, reputable, influential, financially sound businessman. Omar A. Aggad, Mng. Dir., Health Water Bottling Co., Ltd., P.O. Box 2948, Riyadh. Cable: NISSAH; telex, 20102; telephone, 33300. Firm wants to be contacted as soon as posible. P-78425. OPIC.

2084, 2085—AUSTRIA—Firm wants to sell all or part of its **alcoholic beverage bottling operation.** Company imports alcoholic beverages in barrels, bottles them and sells them primarily to large customers such as chain stores, supermarkets. Facilities includes 11-year-old rented premises of 600 sq. m. which can easily be expanded. Two office rooms, telex facilities, telephone, laboratory, personnel rooms, truck entry and loading platform are also available. Guenter Hammerschmid, Guenter Hammerschmid, Fultonstr. 14, A-1210 Vienna. Telephone: (222) 301684; telex, 75-111 gueha a. Send copies of initial correspondence to U.S. Embassy, IX Boltzmangasse 16, A-1091 Vienna. P-78426.

2330, 2385—AUSTRALIA—Firm seeks licenses to manufacture **ladies' fashions, especially fashion rainwear.** Official of company plans to be in New York for three days in early July and will be on flexible schedule for one week. Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78437.

2411—SIERRA LEONE—Seeks joint venture to develop export of **tropical hardwoods.** Firm has lease on timber stand with 2 million cu. ft. of hardwoods. U.S. partner would provide capital, marketing assistance. Local company has been in logging since 1972. Major Tom Caulker, P.O. Box 1295, Freetown. P-78415. OPIC.

2621—PAKISTAN—Seeks joint venture to establish **integrated paper and paperboard mill** with daily production of 50-70 tons using **bagasse.** Firm is subsidiary of major Pakistani company with activities in printing and publishing. Estimated cost of project, $16 million. U.S. participant would take equity position. Plant will be located near four sugar mills with daily cane crushing capacity of 10,000 tons. More than half of bagasse from these mills could be available for paperboard use. Production including kraft paper and paperboard would be based on bagasse and waste paper/wood pulp. Project will qualify for investment incentives. Zaheer Salam, Mng. Dir., Paper-Board Ltd. (Proposed), Pindi Club Bldg., The Mall, Rawalpindi. Telephone Nos. 62804, 64975; cable, PAPBOARD. Further details available from Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Depart-

ment of Commerce, Washington, D.C. 20230. P-78442. OPIC.

2621 — VENEZUELA — Seeks license to manufacture **wallpaper** for domestic and Andean markets. Also needs technical assistance in selecting equipment, training labor force and establishing plant. Government of Venezuela recently prohibited import of wallpaper. Firm is currently in number of activities, including distribution of passenger cars and trucks, automotive parts, beverages and foods. Its automotive division reported 1976 sales of $7 million. Good commercial reputation. Ing. Juan Luis De Guevara, Duccio D. Ambrosio, D'Ambrosio Hnos, Edif. D'Ambrosio Hnors, Avda Principal, Colinas De Bello Monte, Caracas. WTDR. P-78408. OPIC.

2834, 2844 — IRAN — Seeks licenses to manufacture American **cosmetics and pharmaceuticals.** Will also consider joint venture proposal. Firm has been importing raw materials for local production of cosmetics and pharmaceuticals under own brand name. Dr. Darioush Partoui, Mng. Dir., Vitapoust Medical and Chemical Ingredients, Khajoo Ave., No. 373, Isfahan, Iran. P-78413. OPIC.

2865—ITALY—Seeks licenses from one or more U.S. firms interested in having their **semi-finished pressed-cake chemical dyes locally processed into liquid and/or powder compounds,** to be sold in Italy or exported to other markets. Firm has facilities capable of processing and marketing about 500 metric tons per year of following: Synthetic organic dyes including acid, reactive, basic modified, dispersed and vat dyes intended for wool, manmade fiber, paper, and leather processing industries. Established 14 years ago, firm employs approximately 20 technicians. It handles importation, domestic re-sale and exportation of raw and semi-finished dyes, and is adequately equipped with dye-processing machinery. Sig. Pietro Margaria, Administrator, KIMAT, S.p.A., Strada Comunale de Bertolla 189, 10156 Torino; telephone, 011/242533; cable, KIMAT-TORINO; telex, 22252. P-78443.

2869—JAPAN—Seeks latest U.S. technology under exclusive licensing agreement to produce **organic thio-chemicals** which can be used as ingredients in various medicinal preparations and fertilizer. In addition, firm is willing to negotiate import agency agreement if prospective licensor wishes to test marketability of products in Japan prior to considering licensing agreement. Founded 1929, firm has 400 employees; yearly sales, $45 million. It produces ethylene glycol, methanol, polyester films, photographic chemicals and pharmaceuticals, and is subsidiary of Toyobo Co. Ltd., one of Japan's leading spinning firms. Koichi Numata, Dir., Toyo Kasei Kogyo K. K., Shin-Daibiru Bldg., 25-1 Hamadori l-chome, Dojima, Kita-ku, Osaka 530. Telephone, Osaka 06-344-8871; telex, 5236860 J. P-78445.

2891, 3079 — GERMANY — Seeks licenses from U.S. firm to **produce packing materials.** Established 1975, company employs 13; annual sales, $1.8 million. It distributes adhesives, films and packing material for cardboards (plastic expanded rubber, rigid foam, styro foam material). Mr. Bechinger, KG, Kupferstr. 1-3, D-7000 Stuttgart 80. Telephone, 0711/736345; telex, 07-255 451. WTDR. P-78409.

3079 — AUSTRALIA — Firm has annual sales of $3 million with product line that includes **disposable cutlery, containers and closures for food and pharmaceutical industries, disposable drinking cups and other custom injection moldings.** Operates Nestal and Johns machines from 3 oz. to 10 oz. capacity. Company, a division of Lawrenson Diecastings Pty. Ltd., seeks licenses from U.S. firms to manufacture items that will fit into its product line. C. S. Campton, Market Development Mgr., Precision Plastics, P. O. Box 15, Lidcombe, N.S.W. 2141. Telephone: 648-1982. P-78440.

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Overseas Products and Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to any of the specific proposals listed.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $15 from the Export Information Division, Room 1033, U.S. Department of Commerce, Washington, D.C. 20230. WTDR request forms may be obtained from any Commerce District Office.

OPIC indicates that the country involved is eligible for investment insurance coverage and financing from the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

3291, 3494—FRANCE—Manufacturer and distributor of pneumatic hand tools, material handling and electrical equipment seeks licensing rights to manufacture: **abrasive wheels, airline lubricators, filters and strainers for lubricating systems, pneumatic hand tools,** etc. Company was established in 1929, employs 160; annual sales, $500 million. Philippe Maire, Commercial Agent, Ets Charles Maire, 42 Rue du Pont, 91130 Ris Orangis. Telex, 690 559F; telephone, 906-30-22. P-78416.

3443 — GERMANY — Small firm seeks licensing arrangement to manufacture **coil coated thin metal plates.** Is distributor of coil coating materials and is owned 100 percent by Cockorill, Belgium. Production would be carried out in Belgium. Marketing territory of products would include Belgium and Germany. Klaus Hoehne, Eurinter, Plieninger Str. 100, D-7000 Stuttgart 80. Telephone, 0711/722371; telex, 07255881. WTDR. P-78419.

3523—FRANCE—Firm seeks to manufacture under license **fertilizer distributing and spreading equipment** of advanced technology. Specializes in steel surface treatments, and manufactures, sells, imports, and exports metal silos, storage tanks, material handling equipment. Established 1962, employs 70. Michel Guerton, Mng. Dir., Ets Jacques Guerton, 98 rue de la Republique, 28200 Chateaudun. Telephone: 45-21-36. P-78417.

3553 — GERMANY — Seeks joint venture to produce **woodworking machines for furniture industry.** Currently, firm manufactures drilling units which are universal units for building boring machines and special boring devices. Wants to diversify into production of various furniture making machinery and related equipment. Established 1946, employs 140. Horst Nottmeyer Ing, Heinrich Nottmeyer Maschinenfabrik GmbH, 3062 Brueckeburg, Postfach 1347. Telephone, 05722-8200; telex, 09 72571. P-78441.

3561 — KOREA — Seeks license or joint venture to manufacture **high pressure and temperature pumps for use in agricultural industry.** Korean firm prepared to provide necessary capital. Currently produces turbine and centrifugal pumps. O-Hyung Kwon, Pres., Samyang Machine Industrial Co., 71-8 Kalwol-Dong, Yongsan-ku, Seoul. Telephone: 793-7535 or 794-6375. P-78418. OPIC.

3563 — PERU — Well established sales agency, on behalf of client, seeks technology and components to **assemble air compressors** for ½ to 1½ hp. Client company is presently active in metalworking industry. Sales agency represents several American concerns for industrial raw materials, steel products and tools, and is managed by an American citizen. Maurice Fogler, Maurice Fogler y Compania S.A., Camana 631, Of. 501, Lima 1. Telephone, 287130; telex, 20338PU-CP- HBOLI TOGLER; cable, FOGLER-LIMA. P-78410.

3621, 3661—OMAN—Interested in joint venture to supply and install **communication equipment.** Product interests include teleprinter units, teletype systems, mobile radio systems and commercial, industrial and military communication equipment. Sales will be to both government and private organizations. Stuart G. Young, Mng. Dir., Alyousef International Enterprises, P.O. Box 200, Muscat. Telephone, 600485; telex, 3247 MB ALYE. P-78411.

3652—BRAZIL—Publisher, wholesaler, exporter of **phonograph records and cassette tapes** wants to obtain pressing licenses from U.S. companies. Company has been in business for 20 years. Represents number of firms including four U.S. record companies. It competes with top few publishers of popular music records in Sao Paulo. Company plans to build and install complete new record factory using equipment imported from Sweden, Germany, and U.S. Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78427. OPIC.

3714, 3949—GERMANY—Leading manufacturer of ball and roller bearings seeks joint venture arrangement in **automotive parts field as well as in sporting goods area.** Company was established 1929, employs 12,000; has subsidiaries and branches worldwide. Contact American Con. Gen., Koeniginstr. 5, D-8000 Muenchen 22. P-78412.

3822—NETHERLANDS—Firm seeks to extend its production program by obtaining licensing rights from U.S. manufacturers for: **filtration and other equipment to remove solid materials from exhaust-air; incinerator systems to remove noxious gases from exhausts; recycling equipment for chemical industry waste and car-wreck**

metal recycling. Firm established 1920, employs 150. Firm presently engaged in specialized steel construction; turn-key projects for chemical and processing industries and civil engineering and heavy construction such as bridges. M. Mastenbroek, Dir., Demy B.V., P.O. Box 64, Ryksweg-N 250, 6160 AB Geleen. P-78420.

3964 — GERMANY — Manufacturer of leathergoods hardware and jewelry finding seeks licenses to manufacture **hardware for the leathergoods** industry. Established 1885, company employs 250 persons; annual sales, about $10 million. Sales territory includes West Germany, other Common Market countries. Ulrich Reischauer, Gen. Mgr., Gold- und Silber-Scheideanstalt Oberstein, Franz Reischauer, Wilhelmstr. 24-30, 6580 Idar-Oberstein 1. Telephone, 06781-25061; telex, 426229. P-78428.

3993—ITALY—Active ball point/fountain pen manufacturer seeks licensing arrangements for manufacture of **advertising novelties ranging from newly fashioned stationery-type articles to any kind of fancy, compact and wieldy items,** including decorative paraphernalia, usable for publicity purposes. Items desired can be traditional ones (e.g., office desk supplies and trinkets such as small thermometers). Components should be preferably of plastics and metal, as firm's specific experience is in die casting and extrusion fields. However, it does not object to processing other components as well, provided estimated cost/profit ratio would ultimately justify purchase of such new capital equipment as may become necessary. Write: Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78438. WTDR.

4441, 4411—PHILIPPINES—Seeks joint venture partner to establish **shipping company** for inter-island shipping. Services would include transporting people and goods between islands. American minority share of one-third which would entail investment of about $1.5 million is desired. Government guarantees and credits will be obtainable. Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78439.

8911—UNITED ARAB EMIRATES—Firm desires contact with **building and civil engineering company** for work in Saudi Arabia. Company has completed 14 projects ranging from $500,000 to $19 million in value over last three years. Has proper connections in Saudi Arabia, substantial capital equipment and access to large financial resources. Overseas Products & Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78429. OPIC.

Guayaquil To Increase Water Treatment Plant Capacity

The local water company in Guayaquil, Ecuador, plans to increase the capacity of its water treatment plant, according to a recent report from the American Consulate in Guayaquil. Approximately $500,000 has been allocated to expand sedimentation capacity. U.S. manufacturers of sedimentation and related equipment interested in quoting on this project should write: Edgar L. Rojas, Commercial Officer, Guayaquil, Department of State, Washington, D.C. 20520. P-78414.

Nigerian Business Mission In United States This Month

A 28-person mission sponsored by the Lagos Chapter of the Nigerian-American Chamber of Commerce will visit the United States this month. The mission will consist of top Nigerian business leaders interested in establishing ties with U.S. companies active in the following areas:

Agricultural development and manufacture of agricultural equipment; design, engineering and construction; manufacture of building materials; paper conversion; maritime shipping; publishing and printing; telecommunications; management of hotels; equipping hotels; apparel manufacturing; production of aluminum products; production of beverages and foodstuffs; water treatment; hospital equipment and medical supplies; and Nigerian legal services.

The itinerary of the group is: June 10-14, New York; 14-17, Chicago; 17-21, Los Angeles; 21-25, Houston; 25-28, Atlanta; 28-30, Washington, D.C. Further information is available from Bob Kott, AF/W, U.S. Department of State, Washington, D.C. 20520; telephone, 202-632-3468.

Important Notice

Most member countries of the League of Arab States employ a secondary boycott against foreign firms which undertake certain specific types of business relationships with the State of Israel. The Commerce Department will not disseminate nor make available for inspection any tenders or trade opportunity documents which contain conditions intended to support such boycotts, or which are based on documents known to contain such provisions. Trade or investment opportunities published herein are not presently known to be subject to such conditions. However, it is possible that U.S. firms responding to opportunities from Arab countries may be asked at some stage of a transaction to participate in an Arab boycott-related restrictive trade practice as defined in the Department's Export Administration Regulations (15 CFR, Part 369 et. seq.).

Firms are reminded that it is the policy of the United States (a) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person, and (b) to encourage and, in specified cases, to require United States persons engaged in the export of articles, materials, supplies or information to refuse to take actions, including furnishing information or entering into or implementing agreements, which have the effect of furthering or supporting such restrictive trade practices or boycotts. Violators of U.S. anti-boycott law are subject to severe penalties including fine, imprisonment and revocation of export license privileges.

Firms are further reminded that U.S. concerns receiving requests to participate in a restrictive trade practice or boycott must report such request to the Department of Commerce in accordance with Section 369.6 of the above-cited regulations.

Swiss Company Seeks Woven Cotton Fabric

A Swiss firm seeks woven cotton fabric for manufacturing eye makeup remover pads. The quantity required, in an initial stage, is 500,000 sq. m. Contact: S. Svensson, Jr., Cosmetique SA Worben, 3252 Worben; telephone, 032/84 41 61; telex, 34529; cable, COSMETIQUE WORBEN. Sample of fabric needed is available from Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78432.

Licensing In U.S.

For additional information on these opportunities to manufacture foreign firms' products in the United States under a joint venture or licensing agreement, write to the Domestic Investment Services Staff, Bureau of Export Development, Room 4020, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-5361), referring to the appropriate file number.

Joint venture

GERMANY — Piping systems, including patented multiple turnhead distributors, two wave valves, flow-outlet gates and pipe connectors. Products are sold to food processors, chemical, pharmaceutical and plastics processing industries and dust control/air conditioning systems. Firm is prepared to invest in this joint venture. Heinrich A. E. Jacob, Fr. Jacob Soehne Rohrwerk, Portastr. 91, D-4952 Porta Westfalica. File 3919.

Joint venture/licensing

GERMANY — Tire building and curing equipment. Technology and know-how for production of radial tire building and curing machinery. Firm seeks medium size U.S. machinery manufacturer, preferably in southeastern region of U.S. Manfred E. Herbert, Exec. Dir., Herbert Maschinen und Anlage GmbH, Borsigallee 39, D-6000 Frankfurt/Main-60. File 3920.

GERMANY — Conveying and storage equipment. High racker and order picker with capacity of 1,000 kg. maximum 1,500 kg. Lift 6.3 m., maximum 8.5 m. alley between 1,000 and 1,800 mm. Mr. Brandes, Lafebra-Lagermaschinen GmbH, Am Schafbrinke 19, 3000 Hanover 81. File 3921.

SWITZERLAND—Versatile, light weight ladder made of aluminum. Firm will provide technical know-how, production machinery, and possible financial participation. Production almost completely automated, requiring staff of only five to ten for large production runs. P. Utz, Dir., Lectra Technik AG, Lattichstr. 8, 6340 Baar. File 3922.

SWITZERLAND—Water and air pumps. High pressure centrifugal pumps, low pressure centrifugal, waste water and diverter pumps, cooling medium pumps for machine tools, circulator pumps for central heating systems, cold water circulation pumps, irrigation system pumps. U. Bieri, Bieri Pumpenbau AG, CH-3110 Munsingen, Schweiz. File 3923.

Licensing

AUSTRIA—Engineering and manufacturing recycling systems for industrial waste waters and water treatment plants. Wolfgang Gass, Overhoff, GmbH KG., Seudbahmstr. 28, A-2544, Loebersdorf. File 3924.

AUSTRIA—Production of ski and hiking clothing designed by company. Helmut Heimweg, Production Mgr., G. Foelser GmbH, A-4170 Haslach a.d. Muehl. File 3925.

GERMANY — Small manufacturer of **grease-pit lifts for passenger cars and light trucks, pneumatic operated, and for heavy trucks and vehicles, hydraulic/pneumatic operated.** Company also interested in cooperation opportunity with U.S. firm. Erich Sommerer KG, D-7251 Friolzheim. File 3926.

GERMANY — Firm seeks licensees for manufacture of patented **electronically operated automated marking equipment.** Also technical know-how in construction of fully automated **paint undercoating (priming) equipment for treatment of structural steel.** Ulrich Koehne, Hildener Str. 26 a, D-5600 Wuppertal 11. File 3927.

GERMANY—Storage systems, including conveying, dosing, weighing, filtering, separating and packaging equipment. Systems primarily used by building material producers, chemical industry, paint, plastics, glass, ceramics, porcelain manufacturers, feed and fertilizer compounders and food processors. Edgar Kost Stahlbau-Behaelterbau, Hans Kost, Postfach 247, Bavenstedter Str. 67, D-3200 Hildesheim. File 3928.

GERMANY—Scaffold system which is rapidly erected, adaptable especially for round or oval industrial buildings, very light and combinable with all current tube coupler and system scaffolds. U.S. patent application 874,917 group 353. Her Gottschalk, Plettac GmbH, Stahlbau und Gesenkschmiede, Postfach 5086, 5970 Plettenberg 5, Koebbinghausen. File 3929.

GERMANY—Universal seal for stoneware pipes. Jointing element for stoneware pipes (one to the other), for transition from pipes of rigid PVC to stoneware pipes, and for transition couplings made of asbestos cement. Theodor Cordes KG, attn: Waldemar Gritzka, Roxeler Str. 54, 4401 Boesensell. File 3930.

GERMANY—Flexible working time recorders, U.S. Patent 3,641,321. Friedrich Tonne, Rebhalde 4, D-7302 Ostfildern 3. File 3931.

SWEDEN—Device for collecting oil from a free water-surface. Oil collector works efficiently on arbitrarily thin layers of oil, has large capacity even though oil-layer thickness is modest, collects all oil grades which can be pumped with minimum of water content in collected oil and has only one moving part. Walter Nilsson, Financial Mgr., Mattssonforetagen, Box 67, 451 01 Uddevalla 1. File 3932.

UNITED KINGDOM — Skateboard park, all weather with ramps. Made of hard-wearing fiberglass supported on metal frame, designed to be assembled and dismantled on site, transportable from site to site, or stored in gymnasium or sports center. Firm's trademark, Skatewave. G. D. Irvine, Gen. Mgr., Skate-a-Long Ltd., 1A Cambridge Rd., Oakington, Cambridgeshire. File 3933.

UNITED KINGDOM—Removeable partitions for offices. Doris Atkind, Trade Promotion Office, European American Bank & Trust Co., 10 Hanover Sq., New York, N.Y. 10015. File 3934.

Direct Sales

The following trade opportunities are based on reports received from the U.S. Foreign Service—Department of State by the Trade Opportunities Program, Room 2323, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest indicated by codes 0111-1799 and 4011-8999 are based on the Standard Industrial Classification Manual, 1972; codes 20 through 39 come from Numerical List of Manufactured Products (New 1972 SIC Basis), MC72-1, 2. Codes beginning with 99 are from the TOP coding system.

U.S. firms should be aware that the listing in Commerce America *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Department's Export Administration Regulations. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

WTDR indicates that a World Traders Data Report on this specific firm is available at $15 from the Export Information Division, Room 1033, U.S. Department of Commerce, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDRs and request forms are available at each Commerce District Office.

Abrasive, asbestos, nonmetallic mineral products

3292711-31—WEST GERMANY—Asbestos yarn & fiber sought for resale. Founded 1973; importer & exporter of technical materials & equip.; 18 employees; annual turnover DM 18 million; good reputation. Reply to—Mr. Eberth, Virtus GmbH, Neuer Wall 8, 2000 Hamburg 36. Tel 34 60 02.

Steel mill products

3312019 — ALGERIA — Supply 120 semi-finished railroad car wheels, 38 centimeter dia., 3 centimeter steel felloe; supply 15 steel axle assemblies. Offer to remain valid 3 months past bid deadline. Offers & all corres. must be in French; all specs metric. Obtain bid docs. from—Direction Des Approvisionnements, Section Achats, SNTF, 21/23 Blvd. Mohamed V, Algiers. Telex 52851 & 52455. Refer to bid no. 110068478. Bid deadline July 9.

Fabricated metal products

3499471—THAILAND—Aerosol valves for insecticide sprayers & perfume containers. Requests samples & prices. Reply to—Pichit Lerttanrab, Mng. Dir., Europac Co., Ltd., G.P.O. Box 2604, Bangkok. Tel. 2517705.

Farm machinery

3523098—QATAR—Power mulcher, cultivator, fertilizer & systemic applicators, threshing sled. Land leveler. Interested in establishing contacts with U.S. mfrs. & suppliers of above. Now working on govt. tender coming up shortly & hopes sponsor U.S. firms willing participate in tender concerned against negotiable commission. Requests brochures, c.&f. Doha prices. Bid request by Govt. Ind. Dev. Technical Center. Contact—Moussa J. Helewa, Mgr., Darwish Automobiles & Trading Co., P.O. Box 40, Doha, Qatar. Tel. 23133; telex 4310 ARD DH.

Construction machinery

3531800, 3621000, 3711100-3271—BURMA—Supply following equip. for Sedawgyi multipurpose dam & irrigation project—Sec. II item no. 9(B)—4 dumpcrete hoppers. Sec. III item no. 8—2 ambulances. Sec. IV item no. 2—two 500 w. generating sets. Financed with ADB credit. U.S. Embassy, Rangoon, will forward copies bid invitation & specs. to interested U.S. firms on request, citing "T-0062," enclosing cashier check or money order for $6.25 per set (containing sec. II to IV), payable to U.S. Embassy, Rangoon. Refer to bid no. IRR/ADB/(SEDAWGYI)76-77. Submit bids to Dir. Gen., Irrigation Dept., 9/21 Strand Road, Rangoon, Burma. Bid deadline July 17.

3536211-12-13-14—INDIA—Supply of 120-130 m/t cap. cabin-operated electric overhead travelling crane to be installed at Tata Electric Company's expanded power house in Trombay. Bid will be managed by Tata Consulting Engineers (TCE). Bid docs. priced at $60 (by cash or demand draft) on sale by TCE. Bidders required to furnish accompanying bid guarantee 3 percent quoted price. Successful bidder will later be required to furnish contract performance bank guarantee or performance bank guarantee or performance bond equivalent to 10 percent contracted price. Bid deadline Aug. 21. Obtain bid docs. from—Tata Consulting Engineers (TCE), Tata Press Bldg., 414 Veer Savarkar Marg, Prabhadevi, Bombay 400 025, India. Cable TATACONSEN; telex 011-4524.

General industrial machinery

3568000, 3585220-290-630—SYRIA — Supply of swivel joints, bid no. 3313, deadline July 8; also, supply of window-type air-conditioners, bid no. 3455, deadline July 6. Bid & final bonds 1 percent tender price & 5 percent contract price. Delivery soonest c.&f. Latakia. Delay penalty 2 per thousand daily. Offer firm for 60 days after deadline. Mode of payment not defined. Conditions available against 10 Syrian pounds ($1=3.90 Syrian pounds) from Commercial Dept., Syrian Petroleum Co., Damascus.

Office, computing, acct. machines

3573111, 9921102-206 — UNITED ARAB EMIRATES — General purpose digital computer; electronic data processing; edp training services. Abu Dhabi National Oil Co. needs general purpose computer with scientific capability with power equal to that of IBM370/158. Machine will be used for management functions incl. payroll, accounting, personnel, inventory control &

doc. retrieval. Also needed for engineering applications such as petrochemical & refinery process simulations & reservoir engineering. Wants bids on software package & training for system operators. System must be installed by end of 1978, in operation by early 1979. Bid docs. are free from —Ali Mosawi, Abu Dhabi National Oil Co. (ADNOC), P.O. Box 898, Abu Dhabi, United Arab Emirates. Bid deadline July 31. Telex 2215AH & 2489AH.

Service industry machinery

3586000—SYRIA—Supply stationary electric pumping units with spares for 5,000 working hours. Bid bond 10 percent tender price. Mode of payment not defined. Tender book available free at Ministry of Defense, Duels Administration, Damascus. Refer to bid no. 3452. Bid deadline July 15.

Electric transmission, distrib. equip.

3612200—THAILAND—200 distrib. transformers — complete self-protected (csp) type, 3-phase, 50 cycle, rated 12,000 to 416Y/240v. with four 2½ percent full cap. primary taps below 12,000 v., 45 kva. 100 distrib. transformers similar to above item except 75 kva. 100 distrib. transformers similar to above item except 112½ kva. 150 distrib. transformers similar to above item except 150 kva. 85 spare primary bushing insulators for all rating. 40 spare secondary bushing insulators for rating 45 kva. 20 spare secondary bushing insulators for rating 75 kva. 20 spare secondary bushing insulators for rating 112½kva. 30 spare secondary bushing insulators for rating 150 kva. 10 sets spare secondary breaker assembly for rating 45 kva. 5 sets spare secondary breaker assembly for rating 75 kva. 5 sets spare secondary breaker assembly for rating 112½ kva. 8 sets spare secondary breaker assembly for rating 150 kva. 10 kits spare gasket for rating 45 kva. 5 kits spare gasket for rating 75 kva. 5 kits spare gasket for 112½ kva. 8 kits spare gasket for 150 kva. 100 distrib. transformers—conventional type, 3-phase, 50 cycle, rated 12,000 to 416Y240 v. with 4 primary taps below 12,000 v., 500 kva. 10 distrib. transformers similar to preceding item except 1,000 kva. 2 distrib. transformers similar to preceding item except 1,000 kva. 18 spare primary bushing insulators for all rating. 20 spare secondary bushing insulators for rating 500 kva. 2 spare secondary bushing insulators for rating 1,000 kva. 2 spare secondary bushing insulators for rating 1,500 kva. 20 kits spare gasket for rating 500 kva. 2 kits spare gasket for rating 1,000 kva. 2 kits spare gasket for rating 1,500 kva. Financed by loan from Asian Dev. Bank. Tender docs. for sale at $10.50 per set from Purchases & Stores Dept., Metropolitan Electricity Auth. (MEA), 121 Chakphet Road, Bangkok 2. Refer to bid no. ADB-MEA-340. Bid deadline July 24.

Electrical industrial apparatus

3629398—JAPAN—Condensors for power station use. Est. annual purchase $100,000. Will reship to power plants in Indonesia. Specializes in industrial machinery of various kinds. Annual sales $10 million. Ref.: Bank of Tokyo, Toa-Road Br., Kobe. Reply to—Hwang Tzu Dau, Pres., Gie Hing Co., Ltd., 15-2, Shimo Yamate-Dori 2-Chome, Ikuta-Ku, Kobe 650. Cable GIEHINGCO KOBE; tel. 078-331-3181; telex 5623-066 GIEHIN J.

Electronic equipment

3662241-343-347, 3484230, 3713298, 3724000-8000, 9916199 — SYRIA — U.S. Embassy Commercial Section has been contacted by Syrian businessman, A. Ghazi Outri, who is interested in pursuing several upcoming govt. tenders. Outri's firm is one of participants on Damascus Airport project. Equip. interests incl. following—communications, & other types of security equip. for ministry of interior, (incl. pistols); spare parts for Boeing 727 & 747SP aircraft; airport maintenance equip., incl. equip. for washing & degreasing runways (Outri explained that airport directorate looking for equip. that would clean rubber skid marks). Interested firms can reach Outri through U.S. Embassy Damascus Commercial Section, Dennis A. Michaud, Commercial Officer, or directly: A. Ghazi Outri, Gen. Dir., Arab Contracting Co., P.O. Box 4001, Damascus, Telex 11097 SY.

3662343—MALAYSIA—Royal Malaysian Police interested in purchasing 5 portable lie detectors. Write to—Tuan Haji Abdullah Bin Abdul Rahman, Asst. Dir. D-6, Royal Malaysian Police, Bukit Aman, Kuala Lumpur.

Electrical machinery, equipment, supplies

3693000—INDIA—X-ray equip. for cardiac angiography & coronary angiography to be installed in hospital. Accessories required listed in tender docs. Refer tender no. 06/77/7867/GLOBAL/206/Y. Obtain bid docs. from—A. V. Sugavaneswaran, Controller of Stores, Southern Railway, Ayanavaram, Madras 600 023, India. Bid deadline July 7.

Motor vehicles, equipment

3711100-230-240—PHILIPPINES—Tender calls for supply, delivery to site, assembly, servicing & making operational various service vehicles which shall incl. service jeeps & service pick-up for Tago River Irrigation Project. Mfrs. or their duly authorized rep. shall be permitted to bid on individual items. Govt. has received loan from ordinary capital resources of Asian Dev. Bank in various currencies towards cost of project. Bids will be accepted only from or in behalf of mfrs. well known registered brands vehicles called for from member countries which are contributors to ADB's ordinary capital resources for developing countries & who can provide suitable assurances that spare parts & ser. facilities will be available in Philippines as & when needed. Mfrs. or their duly authorized reps. obtain contract docs. upon non-refundable payment of US$50 per copy from address below prior to submitting offers. Bidders required to submit, together with their proposals, qualification data which will indicate mfr.'s capacity to provide ser. support & spare parts inventories in Philippines. Cable NIAPHIL MANILA; telex 7420 PH; tel. 97-60-71 to 78. Obtain bid docs. from—R. P. Enriquez, Secretary, Committee on Prequal. Bids & Awards (Internatl.), Natl. Irrigation Admin., Edsa, Diliman, Quezon City, Philippines D-758. Bid deadline July 18.

Communication projects

9912100-02—EGYPT—Supply following—telephone system; single sideband mobile radio system; frequency modulation mobile radio system. This is forthcoming tender for Alexandria Waterworks Extension Project. Financed by IBRD. Will submit bid deadline as soon as announced. Tender specs. available from Dept. Commerce, TOP, Rm. 2321, Wash., D.C. 20230, tel. 202-377-2251. Submit bids to—Foreign Purchase Dept., Purchase & Contract Gen. Div., Alexandria Water Gen. Authority, 61, Ave. El Horreya, Alexandria, Egypt. Cable WATERWORKS ALEXANDRIA; tel. 32847 & 23047.

9912700—QATAR—Govt.'s Tenders Committee has announced invitation for interested firms to participate in present satellite ground station modification tender. Modifications required to connect ground station with Intelsat 5. Tender docs. must be obtained from Tenders Central Committee, P.O. Box 83, Doha, Qatar, at cost of QR 500 ea. set. Arthur Lewis, Manager, has announced interest in sponsoring U.S. firms interested in subject job. Upon receiving by telex confirmed interest & address incl. phone & telex numbers U.S. firms interested, Lewis will air mail all specs. & other related info. of project. Contact—Arthur Lewis, Mgr., Kassem Darwish Fakhrod & Sons Co., P.O. Box 350, Doha, Qatar. Tel. 22667; telex 4298 TRADER DH. Refer to tender no. 78/001. Bid deadline July 5.

Mfg. & fabrication plants

9913399—ALGERIA—Prequalification for construction product-in-hand plant producing annually 3,000,000 gas cigarette lighters with recharges & 6,000,000 addl. recharges, at El Bayadh (W. Algeria). Tender docs. must be obtained from below address prior to submitting offers. Offer must be in 2 copies in French. Equip. offer must be c.i.f. & f.o.b. Offer to incl. references describing past experience in similar project, training of personnel, tech. assist. & parts. Postmark acceptable for meeting deadline. All corresp. must be in French. Obtain bid docs. from—Direction Generale, SNTA, 40, Rue Hocine Nourredine, Belcourt, Algiers. Telex 52780. Prequalif. deadline July 10.

Rapid transit systems

9916204, 3534000-6100-7000, 3569970-98—VENEZUELA—Firms or consortia, either Venezuelan or foreign, invited prequalify for supply & installation of one, various, or all categories of heavy mechanical equip. for maintenance & repair yard of Propatria & option to also supply & install equip. for yard at Mamera. Equip. solicited for Propatria follows—A) 3 sets fixed jacks to lift rolling stock 2.03 meters; 16 turntables for subway cars 3.60 meters in dia.; 2 elevators to change subway cars with support for car bodies; 2 sets portable jacks ea. 1 to subway car, cap. to lift 15 tons 2.08 meters. B) 5 platforms to lift subway cars with cap. to lift 10 tons 9.52 meters. 2 platforms to lift 24.5 tons 2 meters. C) 1 hoist for wheels to be installed underneath to be able to rectify wheels without removing them from cars. 1435 MM gauge & axle weight 13 tons. Diam. of wheels 710-1016 MM. D) 1 turntable for railway cars 22 meters long. E) 1 turntable for cars 27.5 meters long with 50 ton cargo cap. F) 1 machine to wash trains. Equip. for option on Mamera maintenance & repair yds. are—O) 5 turntables for subway cars; 2 elevators to change cars. P) 1 hoist for wheels; 1 turntable for wagons. R) 2 sets 4 portable jacks (ea. separate). S) 1 machine to wash trains. Required docs. must be forwarded to office of Cano Amarillo, below address. Included in information provided should be name that will be consortium's rep.; documentation to confirm legal solidarity consortium & which of these will be obligated under Venezuelan law. Refer to Pub. Lic. L-78-MC-2 CONTRATO C006. Submit

prequal. info. to—C. A. Metro De Caracas, Edificio Camejo, Piso 5, Esquina De Camejo, Caracas. Tel. 45.32.52; 45.31.33. Prequal. deadline July 6.

Engineering services

9922199, 9916300—ARGENTINA—Govt's Directorate for Ports & Waterways announced that it intends to commission feasibility study for dredging deep outer access channel to Port Bahia Blanca, province Buenos Aires. Channel should allow passage vessels up to 40 ft. draft. Study financed by World Bank & cost estimated at U.S.$5 million. Directorate for Ports & Waterways expects to conduct internatl. call for bids by Nov. 1978. In order to qualify, foreign consulting firms will have to be associated with Argentine counterparts. Est. that study will take approx. 24 months. If study proves feasibility of project, IBRD has agreed to finance actual construction of channel. Cost should be in range U.S. $20 to 30 million, call for bids would take place by end of 1980. Interested firms contact—Capt. Luis Segura, Direccion Nacional De Construcciones, Portuarias Y Vias Navegables, Secretaria De Estado De Intercses Maritimos, Av. Julio A. Roca 738, Buenos Aires.

9922207-99—SRI LANKA—Proposals invited for setting up of project for mining & further processing apatite for export. Deposits comprise—apatite in leached rock & apatite in leached crystalline lime stone. Foreign exchange requirements for project should be provided by foreign participant either in form of equity capital or loans. Offers from interested parties indicating basis of participation and/or terms of investment should be forwarded to Dir., Project Dev. Div., Ministry Industries & Scientific Affairs, P.O. Box 570, 48 Sri Jinaratana Rd., Colombo 2, Sri Lanka. Refer to bid no. PDD/17/17. Bid deadline July 26.

Natural resource development

9923210, 9911208 — SAUDI ARABIA — Ministry of Agriculture & Water planning $11.6 million project to develop 6 national parks for daytime recreation with picnic sites, observation points for flora & fauna, & recreation areas. Parks will be located in mountainous Asir district & along Red Sea. Companies interested in providing landscape design, trail grading, picnic & observation site construction should send literature with covering letter (preferably accompanied with Arabic translation) to Mohamed Mafoos, at below address, & copies corresp. should be sent to Richard Holder, U.S. Saudi Arabian Joint Commission on Economic Cooperation, U.S. Liaison Off., Riyadh, Saudi Arabia, C/O Dept. of State, Wash., D.C. 20520. Dep. Minister Ali Makki is planning Sept. trip to U.S. with delegation to plan national parks program. Informational material sent now may serve to arouse interest in specific equip. Submit literature to—Mohamed Mafoos, Dir. Public Lands, Ministry Agriculture & Water, Riyadh, Saudi Arabia.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Broad woven fabric mills

2221149-281 — SWEDEN — Technical fabrics. Very large mfr., distrib. & retailer of paints & allied products, insulation & noise abating products, & woven technical fabrics. Highly recommended trade contact. WTDR 03/78. Distrib./mfr. under license/joint venture. Reply to Hans Miver, AB Wilheilm Becker, Lovholmsgrand 12, S-102 70 Stockholm. Cable WILBECKER; telex 11128; tel. 08/744 00 40.

Gum, wood chemicals

2865111—PERU—Crecylic acid. Interested in estab. distributorship with U.S. suppliers of crecylic acid, which is used as reagent for minerals floatation. Small, well estab. agent/distrib., mainly selling mining industry supplies. Has aggressive sales force, calling both on public & private sector mining companies. Reply to—Francisco Valdivieso B., Mgr., Reinoll, S.R.L., Las Amazonas 210, San Isidro, Lima 27, Peru. Telex 25289 GRANCOL & 20071 PERUMAR; tel. 225206 & 225207.

Petroleum refining

3011098—REPUBLIC OF SOUTH AFRICA—Fully & semi-refined paraffin wax. Imports wax from wide variety of sources such as U.S., Japan & W. Germany. Wishes know various specs. of wax available from U.S. for use by paper-coaters, candlemakers, polish mfrs., etc. Imports est. at potential 15,000-29,000 mt/year. Contact S. A. Graff, Dir., GBS Trading (Pty.) Ltd., P.O. Box 6190, Johannesburg 2000, South Africa. Tel. 011/833-1725; telex 8-8322 SA.

Fabricated rubber products

3069841 — SWITZERLAND — Industrial rubber gloves. Specializes in import & distrib. of wide range of consumer goods. Products sought for Swiss as well as Middle East & Africa markets. Aggressive & successful enterprise with good reputation. Bank ref.-Swiss Union Bank, Basel. Reply to—C. Chryssostomon, Mgr., Prototec SA, Gellertstrasse 1, 4002 Basel. Tel. 061/42 50 30.

Asbestos products

3292200 — NETHERLANDS — Asbestos, automotive friction materials incl. for clutches & brakes. Large importing distrib. of automotive replacement parts. Estab. 1929, has over 100 employees & annual sales reportedly about $6 million. Well known in trade, has excellent reputation & is financially sound. Through a subsidiary it represents Borg-Warner for some of its products. Bank ref.—Nederlandsche Iddenstandsbank N.V., Amersfoort, Netherlands. Reply to — R.A.P. Kuhne, Mng. Dir., P. G. Kuhne & Zoon B.V., 8 Hogebrinkerweg, Hoevelaken, Netherlands. Tel. (03495) 4424; telex 477022.

Special industrial machinery

3551349—INDONESIA—Sugar plant machinery. Requires catalogs, samples & price quotations, terms of payment ASAP. WTDR 3/78. Reply to—Dr. Ahmad Nurhani, Dir., P. T. Wotraco (World Trading Corp.), Jalan Hayam Wuruk 103-104, Jakarta Barat, Indonesia. Cable WOTRACO JKT; telex 42614; tel. 273368.

General industrial machinery

3569740—WEST GERMANY—Filter elements, fluid hydraulic line. Major W. Berlin distrib. seeks import of above in substantial quantities for wholesale trade in W. Berlin. Quote c.i.f. German port, if possible. Reply to—Herr Bernd Groehnke, Firma Permutit Gesellschaft, Auguste-Victoria-Strasse 62, D-1000 Berlin 33. Tel. (030) 82-50-61.

Office, computing, acct. machines

3579698—FRANCE—Machines to cut out

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3579698 — FRANCE — Pencil sharpeners, stapling machines, staple removers. Estab. 1934. Importers, distrib. of office equip. & supplies. Employs 9 & 5 salesmen. Sales area—France. Financial ref.: Lloyds Bank Int'l in Paris. Reply to—Madame Riboton, Ets G. Borel, 203, Rue Saint Honore, 75001 Paris.

Household appliances

3634100—NETHERLANDS—Electric fans, household. Estab. 1902, staff 350, auth. capital fls. 15,000,000, paid in fls. 4,509,000, annual sales fls. 36,000,000. Subsidiary of Hagemeyer NV, Naarden, Neths., very large intl. trading co. with auth. capital of fls. 75,000,000, paid in fls. 27,909,000. Open account trading warranted. Reply to —J. Hemkamp, Mgr., Indola Electric BV, P.O. Box 8100, Ontariodreef 30, Utrecht, Netherlands. Cable INDOLECTRIC; telex 47028; tel. 030-613811.

3634137-98—ISRAEL—Electric fans, desk & wall bracket, oscillating (all sizes); all other electric fans (except industrial). Requests literature & catalogs. Quote f.o.b. Estab. 1961. Engaged in commodity trading of bulk steel, chemicals, electronic components, household & commercial appliances, & other products. Represents Du Pont De Nemours, Geneva, Switzerland; Domaine Industries, Inc., Wisconsin; Elliott Turbo Machinery, S.A., Zurich, & many U.S. & European companies. Employs 25. WTDR 05/76. Reply to—Ordechai Schapira, Asst. Gen. Mgr., Aveera Ltd., P.O. Box 718, 14 Erech Petah Tikva, Tel Aviv. Cable ALENCO; tel. 03-611866.

3635041 — CANADA — Vacuum systems. Large firm specializing in intercommunication systems, vacuum & dust removal systems, & fire, smoke & burglar alarms on exclusive basis. Marketing territory covers all Canada with direct servicing capability in Toronto, Ontario, & Vancouver, B.C.; employs 40. Annual sales volume between $2-3 million. Recommended as trading partner for U.S. companies. Reply to—G. Gogel, Pres., Progressive Products Ltd., 925 Tupper Ave., Coquitlam, B.C. V3K 1A4, Canada. Tel. 604-525-7374.

Electronic components, accessories

3679039 — NETHERLANDS — Templates for printed circuit boards layout. Estab. 1974, staff 21, auth. capital fls. 100,000, paid in fls. 25,000, annual sales fls. 1,600,000. Recommend transactions on secured basis. Reply to—G. H. Arts, Mgr., Printel Hoensbroek BV, P.O. Box 143, Weustenraedstraat 110B, Hoensbroek, Netherlands. Phone 045-213514.

Toys, amusement, sporting goods

3944311-15-21 — NETHERLANDS — Baby carriages, strollers, walkers. Estab. 1958, staff 40. Bankers—Amro Bank NV, Heeze. Recommend transactions on secured basis. Reply to—J. Van Rooij, Mgr., Smedro BV, P.O. Box 5, Leenderweg 24, Heeze, Netherlands. Cable SMEDRO; telex 51915; tel. 04907-1567.

Visiting Buyers & Officials

JAPAN—Yoshio Ota from Osaka Kobe wishes to purchase **lumber**, preferably from the West Coast. This firm represents a group of contractors working for prefab house manufacturer. Ota is interested in contacting representatives of saw mills to discuss the possibility of having lumber cut to Ota's specifications. At the same time Ota wishes to see if the contractors can use U.S. standard dimension lumber products. The firm needs lumber (possibly hemlock) in following sizes (in centimeters): 300x10.5x10.5; 400x10.5x10.5; 400x9.0x9.0; 400x10.5x3.0; 300x9.0x3.0; and 300x10.5x3.0. If price and quality are satisfactory, firm will purchase up to 100 million B/M a year. For additional info contact Jane Puse, Project Officer, Foreign Buyer Program, U.S. Department of Commerce, Washington, D.C. 20230, Room 2322; 202-377-3265.

SWEDEN—Stig Fergin from Stockholm wishes to meet U.S. producers of **solar energy apparatus articles and waterproof electrical fittings.** His firm is manufacturer, agent, distributor, and importer of plastic equipment, such as telephone booths and other industrial fittings and emergency lighting systems. Fergin arrived in New York late May and plans 4-5 week stay. Contact Jane Puse, 202-377-3265.

SWITZERLAND — Kurt Nordmann from Zurich is interested in meeting with manufacturers of **anti-shoplifting magnetic tag systems** other than those adequately represented in Switzerland. He wishes to negotiate a distributorship arrangement and will be visiting the West Coast around July 21. Contact Jane Puse, 202-377-3265.

AUSTRALIA—J. H. Williams of Sydney would like to hear from U.S. manufacturers or suppliers of lightweight, nonmetal **roofing tiles or shingles** made of PVC, vinyl, fiberglass or any other lightweight material with color throughout to be used for new construction or re-roofing over existing roofs. For further information contact Theresa E. Rettig, U.S. Department of Commerce, Room 2322, Washington, D.C. 20230; 202-377-3265.

AUSTRALIA—D. Reading of Sydney plans to visit the United States in August. His company deals in **computer software** and he wants contacts in this field, especially prewritten programs. For further information contact Theresa E. Rettig, 202-377-3265.

PAKISTAN—Sheikh Muhammad Ilyas of Lahore will be arriving in New York June 10 for a two-week visit. He is interested in purchasing **dispersion machinery for use in the manufacture of synthetic enamel and emulsion paints.** Sheikh Ilyas also wants to purchase synthetic resins. For further information, contact Damon Greer, Project Officer, Foreign Buyer Program, U.S. Department of Commerce, Room 2322, Washington, D.C. 20230; 202-377-3265.

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Newark, 07102, Gateway Bldg. (4th floor) Market St. & Penn Plaza (201) 645-6214.

Omaha, 68102, 1815 Capitol Ave., Suite 703A (402) 221-3665.

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Phoenix, 85073, 2950 Valley Bank Center, 201 N. Central Ave. (602) 261-3285.

Pittsburgh, 15222, 2002 Federal Bldg., 1000 Liberty Ave. (412) 644-2850.

Portland, Ore., 97204, Room 618, 1220 S.W. 3rd Ave. (503) 221-3001.

Reno, Nev., 89503, 777 W. 2nd St., Room 120. (702) 784-5203.

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St. Louis, 63105, 120 S. Central Ave. (314) 425-3302.

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San Francisco, 94102, Federal Bldg., Box 36013, 450 Golden Gate Ave., (415) 556-5860.

San Juan, P.R., 00918, Room 659, Federal Bldg., Chardon Ave. (809) 753-4555.

Savannah, 31402, 222 U.S. Courthouse, P.O. Box 9746, 125-29 Bull St. (912) 232-4321, Ext. 204.

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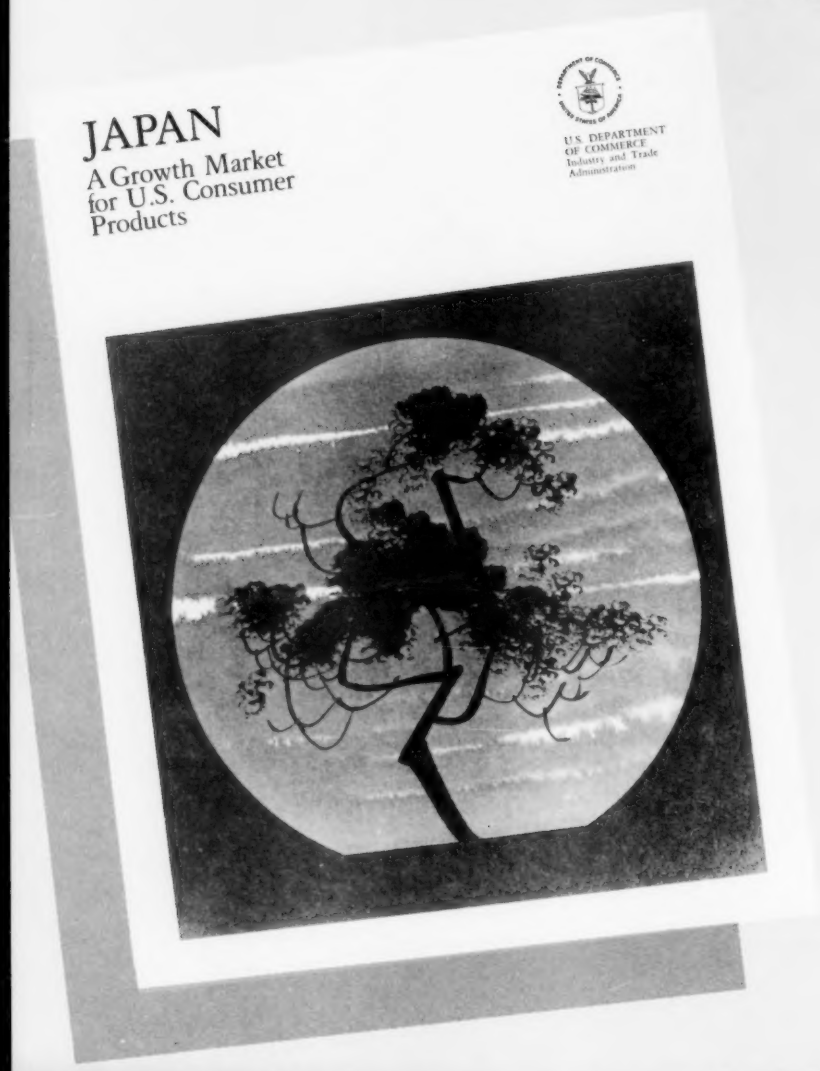
The Time is NOW

for U.S. firms to sell consumer goods in Japan



To explain, "how," the U.S. Department of Commerce has produced a brand new report: "Japan: A Growth Market for U.S. Consumer Products." The report takes note that the Japanese buyer is aware of the quality and attractiveness of U.S. consumer goods and is receptive toward purchasing them. It lists items currently considered most salable in Japan, such as fashion, household items, and leisure goods.

The Japanese consumer goods market is expected to top $25 billion by 1980.

It all began last January when Japan, after consultations with the United States, agreed to open its doors wider to U.S. products. Frank A. Weil, Commerce Department Assistant Secretary for Industry and Trade, sums it up for U.S. business: "The opportunities are here. It is up to you to turn them into sales."

To make it easier for a U.S. firm to sell in Japan the report describes:

- Retailing practices
- Distribution systems
- Market planning
- Selecting an agent
- Product adaptation, packaging, and promotion

Also listed are many services provided by the U.S. Department of Commerce to help U.S. firms enter the Japanese market.

The report is available for $1.20 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Its stock number is: 003-009-00253-2.